S. HRG. 100-747

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1989

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

ON

H.R. 4587

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1989, AND FOR OTHER PURPOSES

U.S. SENATE
ARCHITECT OF THE CAPITOL (EXCEPT HOUSE ITEMS)
CONGRESSIONAL BUDGET OFFICE
GENERAL ACCOUNTING OFFICE
GOVERNMENT PRINTING OFFICE
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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1989

WEDNESDAY, MARCH 16, 1988

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:35 p.m. in room SD–124, Dirksen Senate Office Building, Hon. Harry Reid presiding.

Present: Senators Reid and Grassley.

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

STATEMENT OF WALTER J. STEWART, SECRETARY OF THE SENATE

ACCOMPANIED BY:
JAMES H. ENGLISH, ASSISTANT SECRETARY
STUART F. BALDERSON, FINANCIAL CLERK

OPENING REMARKS

Senator REID. The subcommittee will come to order.

We apologize that Senator Bumpers is unable to be here. He is involved in a matter on the Senate floor and we thought that he would be finished by now, as did he, but it started about 11 this morning and he is still there.

Today, the Subcommittee on the Legislative Branch begins their inquiry into the fiscal year 1989 budget estimates for the Senate and various support agencies. This afternoon, we are pleased to have the Secretary of the Senate, Walter J. Stewart, our Sergeant-at-Arms, Henry Giugni, and the Architect of the Capitol, George White.

As is our custom, we will begin with the Secretary of the Senate.

Joe, it is a pleasure to welcome you here today. Your full statement will be made part of the record.

You may proceed to summarize the statement as you see fit. We know your able staff, but it would be useful if you would introduce them for the record.

Mr. STEWART. Senator, I have with me today my Assistant Secretary, Jim English, and the Financial Officer of the Senate, Stu Balderson.

SUMMARY OF STATEMENT

I want to thank you for the opportunity to appear before you today to present our 1989 budget. First, I would like to express my appreciation for the support of this subcommittee during the past year. We have undertaken a number of important changes to improve services of the Senate which would not have been possible without your support.

Since assuming my duties as Secretary of the Senate, I have been fortunate in having the support of many dedicated employees in that Office, and my primary emphasis has been to encourage them to come up with ways to improve our efficiency in meeting our responsibilities; in other words, to do more at less cost. I have been gratified by the results in virtually every department and would like to briefly highlight them for you.

AUTOMATION PROJECTS

In the legislative departments, we have numerous automation projects underway. The goal is to do as much as possible to eliminate keystrokes at the Government Printing Office.

Consequently, with the full cooperation of the Public Printer, we are in various stages of automating the functions of the Journal Clerk, the Executive Clerk, and the Official Reporters of Debate. Additionally, our Office of Printing Services now transmits proofs and final drafts of Senate publications directly to the GPO.

Cost reductions have varied by publication, but in some instances have dropped from over $100 per page to as little as $1 per page. I am told that when we complete the automation of the Senate Journal, costs will drop from $243 to $1 a page.

STATIONERY AND DOCUMENT ROOMS REORGANIZATION

Perhaps the most gratifying and most immediate results which you can see are the reorganization of both the Stationery and the Document Rooms. This enabled us to redistribute the duties of the Assistant Keeper of Stationery and the Document Room's Second Assistant Superintendent among remaining employees, thereby saving the salaries of these two eliminated positions.

In the Stationery Room, we now have a showroom manager who oversees the sales clerks and ensures that our customers receive quick, courteous service. This and other changes have had a positive impact on sales.

For the first quarter of fiscal 1988, for example, sales were over $1.5 million, an increase of about $0.5 million over the same quarter in 1987.

In the Document Room, things are going well, partly due to the elimination of the public sales program last summer. We now can provide better service to Members, their staffs, and your constituents with no need for increased personnel.

SEMINAR PROGRAM EXPANDED

Together with the Sergeant-At-Arms, my Office has greatly expanded the seminar program to include not only legislative instruction, but other issues of interest to Senate staff. We also instituted an orientation program for interns. The goal is to make their experience as rewarding as possible by familiarizing them with their surroundings and with the procedures of the Senate.

BUDGET REQUEST

Regarding our 1989 budget request, we are asking for $8,165,000 for salaries. This is an increase of $160,000 over 1988 to cover the annualization of January's COLA. For expenses, I am requesting $727,200, an increase of $60,900 above fiscal year 1987. This is basically many small increases to enable me to meet my responsibilities that have been placed upon my Office by the Senate.

In conclusion, I again want to express appreciation to you and the members of this committee, and I would be more than happy to respond to any questions you may have.

[The statements follow:]

STATEMENT OF WALTER J. STEWART, SECRETARY OF THE SENATE

Mr. Chairman and Members of the Subcommittee, I want to thank you for the opportunity to appear before you today to present the fiscal year 1989 budget request for the Office of the Secretary. Let me also take this opportunity to thank you, Mr. Chairman, and you, Senator Grassley, for your support and assistance throughout the past year. There were numerous instances where my office could not have made the improvements that have been implemented without your support and approval.

To fund the salary expenses of the Office of the Secretary for FY89, I am requesting $8,165,000. This is $160,000 above last year's allowance of $8,005,000. The entire FY89 increase is to cover annualization of the pay costs arising from January's COLA.

For the non-salary expenses of the Secretary's Office, we are requesting an appropriation of $727,200. This represents an increase of $60,900 above last year's request. As you know, Mr. Chairman, this account enables us to carry out the administrative responsibilities of the Office of the Secretary in areas such as the education of Senate pages ($200,000), provision of Senate service awards pursuant to S. Res. 21 ($18,000), and provide support services necessary for operation of the Senate Library (approximately $110,000). A table at the end of this statement provides a detailed listing of this request.

STATUS OF COMPUTER USAGE

Last year, I reported my strong commitment to the various uses of computers throughout the Secretary's offices, and I am pleased to report that we have made progress with automation in all of the offices. Attempting to provide cost-effective services to the Senate through our offices, I have requested that all our automation projects be reviewed carefully to ensure, that while they may be costly, they are necessary for the daily operations of the Secretary's offices. As example of a costly, yet extremely beneficial service, was the establishment of a personal computer training facility for Senate staff to use to calculate retirement options available to them under the new Federal Employees Retirement System (FERS). The Disbursing Office staffed the classes in the facility from March through the end of the year. Two retirement counselors worked with each class of up to ten persons to help them use the retirement guide programs. This service, costing $60,000 in equipment alone, proved invaluable according to the retirement counselors and the Senate staff who took advantage of the service.

During the past year, we have provided additional computer support to our offices by installing another NBI computer for our offices located in the Hart building, and upgrading our NBI computer in the Capitol for the offices there. This enhanced access to word processing has allowed our offices to operate more efficiently in delivering services to the Senate.

After many years of development and testing, I am pleased to announce that we have implemented the new Senate Payroll and Personnel system in the Disbursing Office. This project took many, long staff hours of work during the year from Disbursing Office and Computer Center staffs.

This spring, as an interim solution to long-term automation plans, the Disbursing Office plans to begin using the new Disbursing Office Voucher Entry System (DOVES) to issue all Senate expense checks.

This summer, the Senate Historical Office will complete updating and begin the the printing process for the Biographical Directory of the American Congress. This multi-year project is completely automated for the first time, and we anticipate saving a tremendous amount of the printing costs with the project. The current GPO printing cost for a traditional, typeset page is $130, while electronic composing for the same page is less than $20. At these rates, the Biographical Directory, over 2,000 pages, will be substantially less expensive to print.

By March 1988 we expect to have automation support in our Office of Senate Security by installing two tempested personal computers and laser printers. With this equipment, the office will be able to complete their assigned tasks as required by Senate resolution this past year.

Through the Office of Printing Services, we have established direct printing communications with the Government Printing Office (GPO) enabling our staff to print far more expeditiously and inexpensively than in previous years. We are now able to send publications to GPO and have the material back the following day ready for final proofing. As mentioned before, we are reducing the cost of a printed page from $130 to under $20.

Working with GPO, we have initiated two new automations in the legislative departments. For the first time, we are computerizing the Senate Journal for the 100th Congress, 2nd Session. We anticipate issuing the Journal soon after completion of the Congress as we will be current and the material already keyed for GPO.

The Official Reporters of Debate are experimenting with a personal computer, loaned from GPO, to determine the feasibility of automating the transcribing functions of their operations. This test, started in January, is scheduled to be completed in three to four months, and if successful, we will proceed with this automation project. GPO has provided excellent service for both the Record and the Journal project from equipment installation to the detail printer onsite with our office for the remainder of the year. We look forward to continuing this good working rapport with GPO.

The computer operations in the Stationery Room have been utilized heavily during the last year. With record sales in the store during the last quarter, we are quickly using our computer to the maximum. We are currently evaluating steps to upgrade the computer in order to continue offering the same high level of support to Senate offices.

The Senate Library acquired personal computers during the past year to assist with their catalog functions, and is considering automation of circulation procedures by implementing a personal computer-based system. During the past year, the Library continued providing service to the Senate by utilizing numerous commercial informational databases.

With these projects, not to mention our daily use of computers in virtually all the offices, we continue to be demanding users of automation. To meet these needs, we coordinate our efforts with the Sergeant at Arms, the Committee on Rules and Administration, and this Committee. I appreciate all the support given to our staff by these offices.

ORIENTATION AND SEMINARS

During 1987, the Office of the Secretary, in conjunction with the Office of the Sergeant at Arms, continued to provide seminars several times a year to Senate staff on such subjects as Records Management in Senators' Offices; Legislative and Parliamentary Procedure in the Senate and House; Amendment Process; Authorization and Appropriations Process; Conference Committee

Procedures; Budget Process; Federal Election Commission; Ethics and Reporting Requirements; Legislative Counsel and the Legal Counsel; Voucher Preparation; Services of the Senate Library; Supervising Interns; Security; and Handling the Mentally Ill Visitor. History and Traditions of the Senate was developed for the first time last year and was extremely well received. Its popularity has lead to an expansion of that series in 1988.

In addition, the Intern Orientation Program was developed in 1987 and was attended by over 700 Senate interns at various times throughout the summer. The program will become a permanent part of the seminar schedule. Likewise, the new working lunch seminars for chief clerks (in the tradition of the lunches for personal secretaries and receptionists) was created in late 1987 and will be a regular part of the seminar program for 1988.

SENATE SERVICE AWARDS

Mr. Chairman, I feel very strongly that Senate Service Awards, authorized under S. Res. 21, should be presented as expeditiously as possible. Last year the Committee on Rules and Administration approved my request to revise the regulations governing these awards to allow my office to present Senate employees with service pins and certificates on their 12th anniversary dates. The past policy had been to present these awards to employees in the year following 12 years of Senate service. That policy, plus a change in vendors by my predecessor, resulted in delays of up to two years in these presentations. The Rules Committee action, together with your Committee's favorable response to my request for reprogramming funds, enabled my office to purchase awards dating from 1985, and also to keep an adequate supply on hand to meet each year's obligations as they arise.

I am pleased to inform you that we have distributed over 480 pins and certificates to eligible Senate staff. In addition, last year for the first time since the program began in 1965, we purchased the frames and arranged for their printing through the Keeper of Stationery, which resulted in a lower cost to the Senate and faster turnaround time.

BICENTENNIAL ACTIVITIES

Curator of Art and Antiquities

The observances marking the national celebration of the Constitution's Bicentennial culminated for the Senate in special Congressional sessions held in Philadelphia on July 16, 1987. For several years, the curatorial staff and colleagues in the Senate and House Historical offices had worked closely with the National Park Service and Philadelphia city officials to develop a ceremonial program that would best realize the guidelines established by the Congressional Bicentennial commissions. The date, July 16th, was especially appropriate because it marked the 200th anniversary of the Constitutional Convention's Great Compromise, whereby, after long and arduous debate, the framers reached the consensus that gave birth to our bicameral system.

The Congressional visit proved to be the high point in Philadelphia's Bicentennial festivities. Special sessions were held in both Independence Hall and Congress Hall, and featured delegations of 25 Senators and 181 Representatives in a day of ceremony and celebration that signaled the beginning of the five year commemoration of our Federal Constitution.

Throughout the year, this office continued to participate in the development of projects related to the 1989 commemoration of the convening of the first Senate and House of Representatives. Eighty percent of the on-site production for the privately funded documentary film history of the Congress was completed, including copying numerous 19th century views of the Capitol from the Senate collection maintained in the Curator's office. The film, produced by Florentine Films, will premiere in Washington in early spring 1989, and will air subsequently on the Public Broadcasting Service. Its availability on video cassette will assure general distribution to schools, historical societies, museums and other interested institutions.

The bicentenary of the first Senate has also given impetus to several other projects which have engaged the participation and resources of the curatorial staff. These include a major exhibit, sponsored by the Senate Bicentennial Commission, on the Senate and the Constitution during its first century. The exhibition will focus on those sections of the Constitution which pertain directly to the Senate, emphasizing the organization of the institution, nominations and confirmations, treaty making and impeachment.

Documents, paintings, prints and memorabilia from the hold of the U.S. Senate, National Archives and institutions across the nation, will be featured. The exhibition's opening is scheduled for late spring 1989.

In conjunction with the Smithsonian Institution's National Portrait Gallery and the House of Representatives, the Senate is organizing a Bicentennial exhibit that commemorates the first Federal Congress and the members who gave substance to the broad outlines set forth in the Constitution. Featured will be portraits of 40 representative figures, executed by the most eminent artists of the American scene. Included, too, will be prints and documents--both official and personal--as well as memorabilia, chosen to convey the ambience in which the members of the first Federal Congress went about their business. The exhibition will open at the National Portrait Gallery in March, 1989.

Historical Office

In 1989 the Senate will observe its 200th anniversary. In 1986 the Senate adopted S. Res. 352 establishing the Commission on the Bicentennial of the United States Senate. The Commission's objective is to oversee the development of projects and activities of the type recommended in the 1982 final report of the Study Group on the Commemoration of the United States Senate Bicentenary. The Commission is staffed by the Senate Historical Office and the Office of Senate Curator, under the jurisdiction of the Secretary of the Senate, who serves as Commission Executive Secretary.

The Historical Office has been closely involved with planning for two events directly related to the 1989 Senate bicentennial. The first occurred on July 16, 1987, as the Senate met in a ceremonial session in Philadelphia to commemorate the 200th anniversary of the Constitutional Convention's "Great Compromise," which determined the basis of representation between the Senate and House. The office assisted in preparing the program and accompanying historical publications. In preparation for a second major public event, the office has cooperated extensively with producers of an hour-long documentary film on the history of Congress. That film will be shown on the Public Broadcasting Service in the spring of 1989 and copies will be distributed to schools and libraries throughout the nation.

Biographical Directory of the United States Congress

One of the Historical Office's major bicentennial projects involves the revision and enhancement the Biographical Directory of the United States Congress. That project moved forward significantly in 1987. As authorized by S. Con. Res. 85 (99th Congress), work on the bicentennial edition of the Directory is on schedule, with an anticipated delivery date of January 1989. More than 600 of the 800 entries that remained to be edited at the beginning of FY87 have been completed this year.

Guide to Senate Records at the National Archives

A half-century ago, in April 1937, the Senate transferred its official records, dating back to 1789, to the newly opened National Archives. In 1950 the National Archives published a "Preliminary Inventory" that outlined the scope of the Senate's collections through the end of World War II. Since then Senate holdings at the Archives have doubled. There is currently no reliable guide to their rich, but lightly used contents. In 1982 a special Senate bicentennial study group strongly recommended that the National Archives prepare a comprehensive guide to the entire collection in time for the 1989 commemoration.

Subsequently, the Legislative Archives Division of the National Archives, in cooperation with the Historical Office, began work on a publication intended to provide easy access to the 2,300 cubic feet of Senate records in its custody. The guide is scheduled to be published as a Senate Document early in 1989 as provided by S. Con. Res. 64 (100th Congress).

Senator Robert C. Byrd's Addresses on the History of the United States Senate

Since early 1980, the Democratic Leader has delivered to the Senate nearly 100 addresses on the Senate's history, procedure, and traditions. The Historical Office has undertaken extensive research in primary and secondary sources, at the direction of the Majority Leader, to provide material suitable for this unique series. In February 1987, Congress authorized publication of these addresses as a Senate document (S. Con. Res. 18, 100th Congress) in conjunction with the Senate's forthcoming bicentennial commemoration. A professional editorial staff, working within the Historical Office, is completing work on Volume One, which will include 39 chapters on the Senate's chronological history.

Senator Bob Dole's Senate Bicentennial Minutes

On January 6, 1987, Senate Republican Leader Bob Dole inaugurated a series of "Senate Bicentennial Minutes" to commemorate the first 200 years of the Senate's history. During the remainder of the fiscal year, he delivered more than 100 of these brief addresses, selected and prepared by the Historical Office. Each "Minute" focuses on a personality or event significant to the Senate's institutional development. This series will continue until the end of the 100th Congress.

Bookbinder

A group of volumes entitled The United States Senate, 1787-1801 was bound in a style commensurate with the period and taken to Independence Hall in Philadelphia on July 16 as part of the Congressional ceremony to commemorate the Bicentennial of the Constitution. An additional group of these volumes was bound and will be used for special presentation by the Secretary of the Senate. Staff also designed and fabricated 100 portfolios to hold the Senate resolution which resulted from the ceremony held in Philadelphia.

CURATOR OF ART AND ANTIQUITIES

The Office of Senate Curator was established in 1968 to implement the policies of the U.S. Senate Commission on Art and Antiquities. Its responsibilities are closely related to the museum programs of the Senate wing of the Capitol and the Senate office buildings. The Curator and staff suggest acquisitions, provide appropriate exhibits, engage in research, and write and edit publications. In addition, the office studies, identifies, arranges, protects, preserves and records the historical collections of the Senate, including paintings, sculpture and furnishings, and exercises supervisory responsibility for those chambers in the Capitol under the jurisdiction of the Commission on Art and Antiquities.

Arts Collection

Several additions to the fine arts and decorative arts collections of the Senate were accepted by the Commission on Art and Antiquities in 1987. Included were a pair of standing-figure bronze statues of Daniel Webster and Henry Clay, sculpted during the decade of the Compromise of 1850 by the

American artist Thomas Ball. Other examples of these bronzes are in the collections of the White House and the Metropolitan Museum of Art.

Examples of furniture and other personal memorabilia owned by frescoist Constantino Brumidi, which had remained in the artist's family since his death more than a century ago, were also accepted by the Commission. These gifts will be added to the Senate's Brumidiana collection, which has grown significantly in recent years.

Thirty-five engraved views of the Capitol, including many of interior rooms of the 19th century Senate wing, were acquired through purchase or donation since January. These prints join an important collection of graphic documents which now numbers almost 600 works.

The commemorative mural honoring the men and women of the space shuttle "Challenger" was installed by artist Charles Schmidt in the Brumidi Corridor in February. This group portrait of the seven-member crew is located directly across from a mural marking the 1969 moon landing.

Loans of paintings and sculpture from museums in the Washington, D.C. area, as well as from institutions in other sections of the country, continue to be displayed in the Senate wing. Presently, there are 54 loan objects on exhibit, most of which are oil portraits of former members of the U.S. Senate. Among the exhibits of prints from the permanent collection of the Senate, organized in recent months, was a series of Capitol views mounted for display in the Family Reception Room.

The next exhibition in the continuing series sponsored by the Senate Commission on Art and Antiquities is now in production, and is expected to be mounted in spring 1988. It will feature images of the Senate and Capitol building that appeared in 19th and 20th century advertisements. These widely disparate views of the Senate and its members had a strong impact on the American public's perception of the institution. Material from the collections of the Senate, Library of Congress, Smithsonian Institution, Columbia Historical Society and The Johns Hopkins University will be presented.

U. S. Senate Flag

Since 1985, the Curator's office, on behalf of the Secretary of the Senate, has coordinated the design process preliminary to the manufacture of a

U.S. Senate flag, approved during the second session of the 98th Congress (S. Res. 369). Last spring, a contract was awarded to Annin and Company of Verona, N.J., to produce a flag based on a design approved by the Committee on Rules and Administration. This hand-embroidered banner, featuring the official seal of the U.S. Senate, is now available to Members, through the Stationery Room, at a cost of $365-$385.

Collections Management

Collections management procedures gained immeasurably during the past year because of computer program consolidation under NBI. This reorganization was further advanced with the addition of a second terminal to the office. Concerted efforts to place all registration information on line has been an important goal for several years. Recently, considerable progress has been made to this end. Other programs, including the comprehensive print collection guide, and the index of the Papers of Isaac Bassett, are also nearing completion.

The heavy snows of the winter of 1986-87 resulted in water damage to the east wall in the Old Senate Chamber. In turn, the damask swags and jabots that line the area above the Reporters' Gallery absorbed large amounts of mineral deposits from the impaired wall, requiring removal and cleaning by textile conservators. After appropriate replastering and repainting of the wall, the fabrics were reinstalled. This is the third instance of such damage in that part of the Old Senate Chamber since 1979.

Maintenance of the Old Senate and Old Supreme Court Chambers has been of prime interest to the Commission on Art and Antiquities because of the role these meeting places play in documenting the history of the Capitol. When appropriate, and under guidelines established by the Commission, special arrangements were made during the past year to stage ceremonial events in the old chambers, as well as to permit limited use in the rooms of television and motion picture cameras. These events included the oath of office reenactment ceremony for newly elected and reelected Senators, visits by President Reagan, and film segments for several documentaries chronicling the Senate and Supreme Court for the period 1800-1860.

Foreign Gifts and Decorations

As prescribed in the Foreign Gifts and Decorations Act (5 U.S.C. 7342), all gifts from representatives of foreign nations, received by Senators, spouses and staff, which exceed the U.S. retail value of $100, are assumed to have been accepted on behalf of the Federal Government. Subsequently, these gifts are turned over to the Secretary of the Senate, whereupon they are registered, photographed and catalogued by the curatorial staff. In addition to supporting this responsibility of the Secretary, the office also carries out the appropriate disposition of these objects, as directed by the Commission on Art and Antiquities.

SENATE HISTORICAL OFFICE

Senate Chamber Brochure

At the request of the Majority Leader and in cooperation with the Senate Rules Committee, the office prepared a new 12-page Senate chamber brochure. This is the first significant revision of the chamber's brochure since 1953. The pamphlet, which is distributed to the public in the galleries, presents a seating chart, a summary history of the Senate, and brief descriptions of Senate activities inside and outside the chamber.

Supplement to Guide to Research Collections of Former United States Senators

In September 1987, a 57-page supplement to the 1983 Guide to Research Collections of Former United States Senators was prepared for distribution to repositories, researchers, and scholars. Listing over 140 new or recently discovered collections, changes in the status of collections, and new statistics such as dates of death and years of service, the 1987 supplement replaces the 1985 supplement and is preliminary to a full revision and new edition of the Guide scheduled for 1989.

Senate Foreign Relations Committee Historical Series

The Associate Historian continued editing the previously closed and classified hearings of the Senate Foreign Relations Committee. Volume XV, covering 1963, was published in December 1986. Volume XVI, covering 1964, is currently undergoing final declassification and should be published early in 1988. All editorial work from Volume XVII, covering 1965, has been completed, and the material will begin the declassification process immediately after the previous volume has been published.

Oral History

A series of nine interview sessions were completed with Howard E. Shuman, former administrative assistant to Senators Paul Douglas and William Proxmire, covering his association with the Senate from 1955 to 1982. These interviews, have been transcribed, are undergoing final editing and indexing, and will open for research shortly.

Testimony on Historical Subjects

On July 30, at the invitation of the Senate Banking, Housing, and Urban Affairs Committee, the Associate Historian testified about the historical origins of the Glass-Steagall Banking Act of 1933, which is currently being reviewed for revision or repeal. In addition to his testimony, he provided the text of two articles he had written on related subjects for inclusion in the printed hearings.

Bibliography of Works By and About Senators

During the fiscal year, more than 400 new entries to the bibliography of works by and about Senators were identified through close reading of primary and secondary literature. These are currently being added to the office's computerized bibliographical database. Designed to include all books and articles (published and in English) and dissertations by and about United States Senators, the bibliography currently contains approximately 2,500 citations. Newly identified biographical articles in small, local historical publications have greatly helped in the task of correcting misinformation and incorrect dates in the Biographical Directory project. The growing bibliography had proven extremely useful in responding to calls from Senators' offices and from the press seeking biographical information on former members.

Senate Committee Records Management and Disposition Assistance

Given a change of majority on Senate committees and the consequent need to appraise large volumes of records, the Senate Archivist provided extensive assistance during the past year with the identification and disposition of permanently valuable files for Senate administrative offices and numerous Senate committees. Also provided were records management seminars for committee administrative staff, formal briefings for professional staff, record surveys, assistance with the preservation of information on automated systems, and a tour for committee chief clerks of committees' records among the Senate's holdings at the National Archives.

Senators' Office Records Management Assistance

Extensive assistance was provided during the past year to Members who departed the Senate. Activity focused on identifying records of historical value, assisting with preservation of electronic records, locating repositories, reviewing deeds of gift and deposit agreements, providing assistance with records transfers, and generally providing archival guidance and advice during a time which for some was quite stressful. For newly elected Members, the Archivist provided records management assistance directed at setting up efficient management routines.

Senate Photographic Collection

The past year has brought increased use of the office's extensive photographic collections. Among the heaviest users were book publishers and television program producers. As part of the long-term goal to improve and expand the office's general photo files, the Photo Historian has selected and printed negatives of unique interest from the massive collections of the Senate's Democratic and Republican photographers. The Photo Historian continues to record events of potential historical significance and to assist other Senate offices as requested.

SENATE LIBRARY

Senate offices used most of the services of the Senate Library more this year than ever before: reference requests increased 13% to their highest levels, and stemming from this rise were increases in the use of the Senators' Reading Room by 16%, in the use of the Micrographics Center by 10%, in the number of photocopies made by 17%, in the number of deliveries to Senate offices by 17%, and in the number of computer searches made in commercial databases by 10%. The only service that was used less this year than last was the LEGIS search service which decreased by 9% (the usual pattern for first sessions).

Other major developments during the year included significant progress by the Secretary's office towards arranging for renovation of the Library's fourth floor Capitol space, acquisition of additional off-site storage space in Franconia, acquisition of the Library's first microcomputers and resolution of a serious mold problem affecting the book collections in storage in the Adams Building of the Library of Congress.

LEGIS Service

The four person LEGIS staff answered nearly 68,000 requests from Senate offices for information about the subject matter, sponsorship, and status of bills, resolutions and public laws and about Senate action on treaties and nominations. While this represents a 9% decrease from last year, the table below shows that first session activity is always less than that of second sessions. The usage this year is the second highest for a first session since we began offering this service in 1975; it is also the first time since 1983 that we have had an increase in the activity of a first session compared to the previous first session.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1978	95/2	56,358	+45%	+73%
1979	96/1	46,635	-17%	+20%
1980	96/2	79,072	+70%	+40%
1981	97/1	61,643	-22%	+32%
1982	97/2	89,860	+46%	+14%
1983	98/1	77,352	-14%	+25%
1984	98/2	98,845	+28%	+10%
1985	99/1	59,605	-39%	-23%
1986	99/2	74,506	+25%	-25%
1987	100/1	67,610	- 9%	+13%

Reference Service

The reference librarians had their busiest year since we began recording requests (see chart below); no doubt it was the busiest year since the Library was founded in 1871. The staff responded to more than 14,000 requests for legislative materials, biographical information on nominees and others, background information on a wide variety of topics, computer searches for magazine and newspaper articles, quotations, voting information and statistics. This total is a 13% increase over the previous year, and 27% over the first session of the previous Congress (the first such increase since 1981). Part of the increase was due to substantial numbers of requests from the staff of the Iran-Contra Committee during its probe, and from the staff of the Judiciary Committee during consideration of the Supreme Court nominations of Robert Bork, Douglas Ginsburg and Anthony Kennedy.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1978	95/2	7,845	+18%	--
1979	96/1	9,206	+17%	+38%
1980	96/2	12,644	+37%	+61%
1981	97/1	12,227	- 3%	+33%
1982	97/2	13,442	+10%	+ 6%
1983	98/1	12,102	-10%	- 1%
1984	98/2	13,172	+ 9%	- 2%
1985	99/1	11,129	-15.5%	- 8%
1986	99/2	12,589	+13%	- 4%
1987	100/1	14,164	+13%	+27%

The Senate Library Resources Directory was completed last spring and distributed to all Senate offices in June. This has become one of the Library's most important reference tools and is used numerous times each day.

Senators' Reading Room

Over 3,200 readers used the Senators' Reading Room this year, an increase of 16% over the previous year.

Library Renovation

The Secretary of the Senate and the Architect of the Capitol reached agreement on the need to resolve the problem of weight overload in the attic of the Capitol. The understanding included a plan which would limit the weight load to 100 pounds per square foot and blueprints were drawn up to achieve this goal. Because limitations would result in a 40% reduction in the linear footage of books presently shelved by the Library, the Secretary's Office sought and obtained the cooperation of the Senate Committee on Rules and Administration, the Senate Appropriations Committee and the House Leadership to reassign the space occupied by the Law Library in the Capitol to the Senate Library. A revision of the blueprints was made to reflect this change; even so, the Library anticipates that 10% of the present collection will have to be removed to off-site storage or disposed of.

Franconia GSA Depot

The Library acquired 5,500 square feet of storage space in a GSA warehouse in Franconia, Virginia; this area is intended to replace the 3,000 square feet of space in Alexandria which the Library had occupied for many years and which is now to be used by other departments of the Secretary's Office. The transfer to Franconia is planned to begin in January 1988.

Library of Congress Storage Area

In early August, mold was discovered growing on many of the books in the collection stored in the vault in the basement of the Adams Building of the Library of Congress. The problem was critical inasmuch as it threatened not only portions of valuable legislative records of the Senate and House, but also very large numbers of books in the Library of Congress's collections. The problem appeared to be caused by increased humidity levels in the vault resulting from current renovation of the Adams Building.

The problem was solved by installing a four ton capacity air conditioning unit to stabilize the humidity levels and a vacuuming and cleaning of the books and shelving throughout the entire space. The plan was successfully implemented by the end of September 1987.

BOOKBINDER/CONSERVATION SPECIALIST

Services to the Senate Library

In addition to routine services, the office rebound, repaired and/or restored a substantial number of volumes in the Library's general collection, among which were groups of the older Congressional Globes and Congressional Records. We were able to accomplish this by transferring approximately 72% of the binding of House and Senate hearings to the Library Binding Section of the Government Printing Office. Out of a total of 1,022 volumes rebound and/or repaired for the Library, 431 were done in the workshop. If we had continued to bind all the hearings as in past years, the Library would have seen a corresponding decrease in the number of volumes rebound and/or repaired in the general collection.

Services to the Senate Curator's Office

The office assisted in the preparation of two exhibits: "Bills of Fare" which was reinstalled in its Crypt exhibit case and "The Blessings of Liberty: The Story of the Constitution" which was a three-part kiosk-type display.

Staff also mounted and framed an additional group of motion picture advertising posters for use in support of the Commission on Art and Antiquities program entitled "The Senate Goes to the Movies."

Services to the Senate Historical Office

The office completed restoration, in a style appropriate to the period, of a 41 volume set of the Annals of Congress covering the period 1784-1824. The Annals is the predecessor of today's Congressional Record.

Binding of copies of the Senate Historical Offices's Oral History Interviews with Francis R. Valeo, former Secretary of the Senate, was completed.

We continue to assist the Photo Historian in the preservation of his photographic collection.

Congressional Binding Standards

The office continues to assist Senate committees and Senators' staff in the preparation of material being sent to GPO for binding. The quality of work now being done by GPO consistently meets the Library Binding Institute Standards and, except for occasional spot checks, we no longer inspect all completed committee binding.

At the request of the Joint Committee on Printing, the Bookbinder/Conservation Specialist met on several occasions with the House Printing Clerk, to assist him with binding that the House sends to GPO. He also met on several occasions the House Librarian, about his binding problems.

OFFICE OF PUBLIC RECORDS

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended; the Federal Regulation of Lobbying Act; the Senate Code of Official Conduct: Rule 34, Public Financial Disclosure; Rule 40, Registration of Mass Mailing; Rule 41, Political Fund Designees; and Rule 41(6), Supervisor's Reports on Individuals Performing Senate Services; and Foreign Travel Reports.

The office provides for the inspection, review, and reproduction of these documents. From November 1986 through October 1987, the office served approximately 1,000 individuals and sold 171,075 photocopies of documents. In addition, the office works closely with the Federal Election Commission and the Select Committee on Ethics in providing assistance regarding the filing requirements of the aforementioned Act and Senate rules.

Federal Election Campaign Act, as Amended

In a non-election year, the Act requires Senate candidate committees to file semiannual reports. These filings totaled 1,731 documents containing 57,400 pages.

Federal Regulation of Lobbying Act

Of the 24,554 lobbyists registered under the Act, 6,249 lobbyists are currently active and reporting to the office on a quarterly basis. From November 1986 through October 1987, 23,996 reports totaling 48,092 pages were filed, processed and made available to the public.

Public Financial Disclosure

The filing date for Public Financial Disclosure Reports was May 15, 1987. The reports were available to the public and press by Tuesday, May 19th. Copies were provided to the Select Committee on Ethics and the appropriate State officials on the same day. A total of 921 reports were filed containing 13,100 pages. There were 340 requests to review or receive copies of the documents.

Registration of Mass Mailing

Of the 78 Senators who were required to register mass mailings under Senate Rule 40, the number of pages filed totaled 5,858.

SPECIAL DEPUTY, FEDERAL ELECTION COMMISSION

The Secretary, as an ex-officio Commissioner of the Federal Election Commission, is represented through the Special Deputy in all Federal Election Commission activities.

The Special Deputy is authorized to carry out the responsibilities of the Secretary of the Senate in his capacity as an ex-officio member. The responsibilities of the Special Deputy include participation in the open and executive sessions of the Commission. The Special Deputy receives complete equity of treatment and makes the same kind of contribution in virtually all aspects of the work of the Commission as a Commissioner, other than voting. The Special Deputy is assigned to work on a daily and continuing basis at the Commission.

Liaison aspects of the Special Deputy's role with respect to the Commission and the Senate include responding to numerous requests from Senators' offices for information ranging from providing documents from the Commission's Office of Public Disclosure to answering questions pertaining to the Federal Election Campaign Act. Additionally, in the fall of 1987, the Special Deputy moderated a symposium for Senate staff on Federal Campaign Finance Law. The symposium, held in the Dirksen Senate Office Building, featured the Chairman and Vice Chairman of the Commission, as well as high-level Commission staff.

Meetings

The Commission conducts most of its activities through regularly scheduled meetings, both in executive and open sessions. Executive sessions mainly focus on resolving compliance matters, reviewing audits and dealing with the internal workings of the Commission, such as personnel matters. In 1987, the Commission held 47 executive sessions.

Other matters, such as promulgating and revising regulations, and issuing advisory opinions are conducted in open session. In 1987, the Commission held 37 open meetings. No special sessions or public hearings were held in 1987.

Congressional Oversight

The Commission made seven formal appearances before various committees of the Congress in 1987. These included the Committee on House Administration; the House and Senate Appropriations Subcommittees on Treasury, Postal Service and General Government; the Senate Committee on Rules and Administration; and the House Ways and Means Committee. In addition, the Senate Committee on Rules and Administration conducted confirmation hearings on Commissioners Danny L. McDonald and Lee Ann Elliott, both of whom subsequently were confirmed by the Senate.

OFFICE OF SENATE SECURITY

The Office of Senate Security was established by Senate Resolution 243, on July 11, 1987, succeeding the Office of Classified National Security Information. The Office is under the policy direction of the Majority and Minority Leaders of the Senate, and is under the administrative direction and supervision of the Secretary.

Classified Hearings

The office provides a secure facility for classified hearings of committees of the Senate, and for briefings of Members and staff at which highly classified information is presented. During FY87, a total of 112 classified hearings and meetings (23 hearings and 89 meetings/briefings) were held in the secure hearing facility. Eight Senate Committees, various leadership groups, and four other Senate groups utilized the facility, as well as a number of Executive Branch departments, agencies and officials.

With the appointment of an Acting Director in December 1987, the office initiated two new projects: (1) compilation of a central register of all Senate staff holding security clearances, and (2) development of a Security Awareness Program including briefings and seminars on matters relating to information security in the Senate. A report on Senate personnel security clearances will be presented to the Majority and Minority Leaders and to the Secretary April 1, 1988. Security Awareness briefings began in February 1988.

Senate Security Manual

Staff began work on a comprehensive Senate Security Manual, which will prescribe the policies and procedures of the office, and set forth regulations for all other Senate offices for the handling of classified information. When completed, on or before June 1, 1988, the Security Manual will be distributed to all Senate offices.

Arms Control Treaty Review Support Office

The office provided assistance and advice to the Arms Control Treaty Review Support Office in preparation of facilities to receive and house documentation associated with the INF Treaty negotiating record.

Security Upgrade

Staff continued work on the security upgrade of its Capitol facility, which was initiated in 1986. With the installation of secure office automation equipment and a new alarm system in January 1988, the security upgrade was completed.

OFFICE OF INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services (IPS) completed its sixth year of operation as a department of the Secretary of the Senate.

IPS continues to handle administrative arrangements for the North Atlantic Assembly; Mexico-United States Interparliamentary Group; Canada-United States Interparliamentary Group; and Interparliamentary Union. In addition, the office is responsible for two leadership sponsored observer groups, the Arms Control Observer Group and the Central American Negotiations Observer Group.

Committees and individual Senators call upon the office for assistance and all leadership authorized travel is handled by the staff.

Responsibility for collecting and printing the quarterly financial reports for foreign travel from all committees continues to be a major function of Interparliamentary Services. The staff also prepares these reports for both the Majority Leader and the Minority Leader.

The Secretary of the Senate utilizes the protocol expertise of the IPS staff in assisting with the reception of foreign visitors.

SENATE STATIONERY ROOM

The Senate Stationery Room completed FY87 with gross sales of $3,078,522.99, an increase of $5,007.65 over FY86. Total combined cash and charge sales tickets issued during the year amounted to 98,863, an increase of 13,295 tickets.

For the First Quarter of FY88, the Stationery Room gross sales totaled $1, 539,215, an increase of $557,308 over FY87 1st Quarter sales.

	FY87 1st Quarter	FY88 1st Quarter	
Senators	$599,414.05	$1,017,358.71	
Committees	67,188.26	122,257.55	
Officers	1,725.14	626.53	
Cash	313,579.82	398,972.60	
	$981,907.27	$1,539,215.39	+$557,308.12

During the last year, the Stationery Room was reorganized to improve the quality of services delivered to Senate offices. The most apparent changes and improvements have occurred in the Showroom area. During 1987, there was a complete transition in personnel in the sales area. A Floor Manager was named to oversee the clerks and to offer special assistance to Senators, their families, and staff members. New fixtures and showcase cabinets for displaying merchandise have enhanced the appearance and efficiency of the Showroom.

Several improvements have also been made in the Special Order Department. A room adjoining the sales floor was remodeled so that the special order desks could be set up to give customers a quieter office in which to conduct business. Also, we recently acquired a facsimile machine, enabling us to expedite our purchase orders and samples to vendors, particularly to the engravers for business cards, rubber stamps, and personalized merchandise.

After much planning, the new computer system, a MAI Basic Four 8020, became operational on March 1, 1987. One of the numerous improvements in the system is having the ability to generate bin labels. The bin labels enable us to update the labels on the shelves as the merchandise price changes, causing less customer confusion.

We have also implemented clerk cash accountability in the system as per the GAO request of February 1987. From October 1st through December 31st, nine staff members accounted for $398,972.60 with an overage of $78.23.

The Stationery Room did not anticipate the tremendous increase in sales for FY88 1st Quarter. Consequently, we now have a need to evaluate our computer storage requirements and are working on the storage requirements as well as our future training needs.

SENATE DOCUMENT ROOM

Reorganization

During 1987, the Senate Document Room was also reorganized to improve its overall efficiency and enable us to better serve the Senate and its staff, as well as the general public. This reorganization was the first multi-staffing change made within the department in the past 15 years, allowing us to better accommodate the workload and to distribute responsibilities on a more even

Requests for Documents by Mail and Phone

During 1987, the Senate Document Room received a total of 38,784 mail requests and a total of 137,954 calls for documents.

LEGISLATIVE DEPARTMENTS

LEGISLATIVE CLERK

The legislative workload for the year has generally been consistent with other years. There was a slight increase in measures passed, as well as rollcall votes and quorum calls.

Statistics relating to various functions of the department are as follows:

	99th Cong., 1st Sess. January-December 1985	100th Cong., 1st Sess. January-December 1987
Measures Passed	583	616
Measures Reported	477	398
Live Quorum Calls	20	36
Rollcall Votes	381	420

PARLIAMENTARIAN

During this past year the Parliamentarian's Office has experienced a heavy legislative workload on the floor and in the office, and yet has been able to maintain momentum on a number of projects significant to the Senate and its staff.

A general manual on Senate procedure and operation has been drafted, at the request of this office, by staff at the Library of Congress. The manual was edited by this office and has been printed, under the direction of the Secretary of the Senate.

In conjunction with the preparation of the basic manual, the office is involved in the early planning stages for a major revision and update of Senate Procedure. This project is of a long-term nature, and a completion date has not yet been estimated.

The office continues to rely heavily on computer-supported services for its operation. The LEGIS rules file, into which the office enters its precedents, now has a bank of more than 700 Senate precedents spanning from July 1980 up to the present. The advantages of computer-basing the precedents are manifold: the precedents are readily available to all Senatorial offices, the information is easily researched by subject matter and date, and the technology allows for easy manipulation of the data for publication. The use of the GRID computer on the Senate floor continues to be of great value. The Parliamentarians are able to retrieve and print quickly precedents from the rules file for use in advising the Chair and Senators, and they are able to prepare language for the Presiding Officer when necessary.

The office has assumed a new role in a new feature in the Senate--namely, the computerized Desk. The Parliamentarian now has a computer at the Desk for easy retrieval of information.

The Parliamentarian's Office now has the capability of producing, through the use of a newly installed word processing machine, bills, joint resolutions, concurrent resolutions, simple resolutions, and amendments in a format similar to that of the Office of Legislative Counsel, primarily for the convenience of the Senate leadership.

The office has seen its workload virtually double since the enactment of the Gramm-Rudman-Hollings Acts and the resultant explosion of budget related procedural issues. Senate consideration of the INF Treaty has begun to generate a considerable number of questions in previously unexplored areas of treaty procedure.

BILL CLERK

The Office of the Bill Clerk operated during 1987 in the same smooth and efficient manner that has become customary in recent years. Our relationships with Senate staff, the Senate Computer Center, and the Government Printing Office continue without significant difficulty.

The Bill Clerks provide information to Senate offices and the public on Senate legislative status with a high degree of accuracy and speed, both through the Senate LEGIS system when questions on status concern legislation from prior days, and over the phone for same-day information. The Bill Clerks provide the most quickly available and the most accurate information on Senate legislative activity that can be found. Much of that is due to the continued fine efforts on our behalf by the Senate Computer Center.

As far as our paperwork is concerned, there is very little change in the number of bills we have processed between the first session of the 99th Congress and the first session of the 100th. Exactly 2,000 bills were introduced in 1985; we were about two dozen short of that number in the waning days of 1987. The numbers on other forms of legislation are quite similar.

The Government Printing Office has worked well with us this year on the printing of bills and reports, and has responded to our requests for the printing of priority matters for the floor in a timely manner.

JOURNAL CLERK

The operations related to the compilation of the Senate Journal in 1987 were carried out under the same procedures as previous years. The division of work remained roughly the same as in the three previous years.

Throughout the year, the Journal Clerks continued to keyboard roughly half of all executive communications into the LEGIS system for the Morning Business Clerk; continued to receive, record, and transmit additional cosponsors added to amendments on the Senate floor (but not done in writing or floor debate) to the Chief Reporter of Debates and to the Bill Clerk; and served, for the Sergeant at Arms, as the repository and transmission point for staff floor privilege written requests.

The compilation, editing, and publishing of the "History of Bills and Resolutions" section continued in the same manner as in each year since 1978.

ENROLLING CLERK

The Enrolling Clerk prepares for printing and proofreads all Senate-passed legislation prior to its transmittal to the House of Representatives or the White House.

During 1987, 98 enrolled bills were prepared, printed, proofread, and corrected and transmitted to the President. Also, 616 other pieces of legislation, in one form or another, were enacted by the Senate; each one of which required some effort from this office. Eighty-three pieces of legislation had to be assembled by this office and "hand engrossed," which entails typing and piecing together a true and accurate copy by hand immediately upon passage by the Senate so that it can be transmitted to the House of Representatives.

Last year the Enrolling Clerks began to reproduce certain commemorative resolutions through the Senate Service Department, instead of the Government Printing Office. This resulted in a cost saving of $14,700.

The Enrolling Clerks placed line numbers on engrossed amendments to make it easier to amend and also to save on printing costs. Previously, Senate engrossed amendments and printed as passed versions had separate printings. By combining the printings on the Trade, Farm Credit, and Defense Authorization bills, cost savings were estimated at $275,000.

EXECUTIVE CLERK

Several improvements in procedures and services in this office have been implemented during the past year. Concise nomination status summaries have proved useful in nomination tracking and of special use to leadership personnel, especially in the period before major adjournment breaks. Treaty information and history files accessible through the LEGIS system now go back 20 years and will be further expanded as time permits. In conjunction with the Senate Computer Center and with the ongoing cooperation of Department of Defense personnel, a computer-tape transfer system is now online which obviates the necessity of typesetting and proofreading of all major military nomination lists by the GPO when they are sent to them for inclusion in the Congressional Record, resulting in considerable savings.

Nominations

During the 1987 session, there were a total of 786 nominating messages received comprising 51,929 individual nominations to positions requiring Senate confirmation. Of this total, 470 were for civilian positions other than lists in the Foreign Service, Coast Guard, National Oceanic and Atmospheric Administration and Public Health Service. In addition, there were 4,248 nominated in the "civilian list" categories named above. Armed Services nominations totaled 47,211: 18,667 in the Air Force; 14,448 in the Army; 12,101 in the Navy; and 1,995 in the Marine Corps. A total of 5,494 nominations were carried over to the second session of the 100th Congress in their current status by unanimous consent agreement at the time of the sine die adjournment.

Ten nominations were withdrawn from further Senate consideration during the first session by the President, and 20 nominations failed of confirmation under the rules of the Senate at the time of the August-September adjournment and the sine die adjournment of the first session of the 100th Congress. The nomination of Robert Bork to the Supreme Court was rejected by the Senate.

Treaties

There were ten treaties transmitted to the Senate in 1987 for its advice and consent, which were printed as treaty documents for the use of the Senate (Treaty Documents 100-1 through 100-10). The Senate completed action on three treaties and four treaties reported to the Senate during the first session remain on the Treaty Calendar for the second session.

Executive Reports and Roll Call Votes

Twelve executive reports--six relating to nominations and six to treaties--were ordered printed for the use of the Senate during 1987 (Executive Reports 100-1 through 100-12).

During the first session of the 100th Congress, the Senate had 22 roll call votes in executive session, three on the adoption of resolutions of advice and consent to treaties and 19 in relation to nominations.

DAILY DIGEST

Chamber Activity

The Senate was in session a total of 170 days, for a total of 1,214 hours and 52 minutes. There were 36 quorum calls and 420 record votes.

Committee Activity

Senate committees have held 1,146 hearings and 561 business meetings, for a total of 1,707, contrasted with 1,162 hearings and 280 business meetings (total 1,442) during the 1st Session of the 99th Congress.

All hearings and business meetings are scheduled through the office of the Senate Daily Digest and are published in the Congressional Record and entered in the LEGIS hearing file. Meeting outcomes are also published by the Daily Digest in the Record each day.

Computer Programs

Digest staff completed entering in the LEGIS files all Senate statistical information as compiled in the "Resume of Congressional Activity," from the current session back through and including the 93rd Congress.

The staff spent two years auditing and verifying all of this statistical data, comparing raw files with the statistical files prepared by the staff of the Democratic Policy Committee and the Senate Library.

This project has been completed and the Resume file was released for general access in October 1987.

OFFICE OF PRINTING SERVICES

During the 1st session of the 100th Congress, a total of 438 publications were printed, as compared to 461 publications during the 1st session of the 99th Congress, a 5 percent decrease.

In October 1987, an IBM PC was installed as part of a pilot project designed to lower printing costs and turnaround time by providing the ability to perform in-house composition. If the pilot proves successful, this or similar systems will be offered Senate-wide. Although it is early in the life of the pilot project, results at this point are very promising. For example, the Foreign Relations Committee provided us with a computer tape of a 41 page hearing. The job was transmitted between this office and GPO for proofs and eventually went to press. This job would have cost the committee $86 per page if composed by GPO instead of $14 per page by using the new system. Another example is an 11 page job for the Historian's Office. Had this job been hand set by GPO, it would have cost $126 per page; through our system, it cost $1.00 per page.

These two examples are termed "book work," i.e. basically textual matter. However the new system also provides an opportunity to save additional money because we can compose the myriad forms used throughout the Senate. To this end, we have already composed 55 forms for the Sergeant at Arms; four for the Architect; and 30 for the Secretary of the Senate. GPO's cost for the work would have been $45 per form; our cost to the Senate was approximately $1.00-$5.00 per form. To date, we have saved more than $3,900 on forms alone.

Since we are involved in a pilot test of the system, we are renting the system, however, had we purchased the system (approximately $10,000 including the laser printer), in the four months it has been installed, we would have paid for approximately 82 percent of the cost of the system as a result of savings.

Finally, as can be seen from the foregoing examples, the per page cost of different jobs vary due to the complexity of the jobs themselves. We and GPO have found instances where the intricacies of the job require human intervention. When this occurs, job costs increase. As these instances are encountered and system modifications are made in order to contend with them, future costs will certainly decrease dramatically.

OFFICIAL REPORTERS OF DEBATES

Congressional Record

At present the Record pages for the Senate total over 18,000 and by sine die adjournment numbered around 19,000. Actual floor proceedings continue to be approximately 60% of the overall pages, or 11,500 on a projected basis. The remaining percentage is 20% morning business and 20% additional statements.

DISBURSING OFFICE

Federal Employees Retirement System (FERS) and Civil Service Retirement System (CSRS)

All employees on the Senate payroll were examined, and those meeting the requirements were transferred to the new FERS retirement system on January 1, 1987. This involved complex computer programs to pinpoint employees, move them, and report related monies, as well as adapting the current payroll system to handle FERS, Offset-CSRS, and the Thrift Savings Program (TSP).

Two seminars were held in March to explain to office managers, staff directors, administrative assistants, and chief clerks, as well as employees, just what FERS is and how CSRS persons could transfer to it. This was videotaped and video tapes were distributed as part of a loan program for home and DC offices. The same videotape, along with a Social Security tape, was aired from May through September on the Senate cable channel.

New administrative procedures were developed to properly handle the transferring employees and the associated accounting, auditing, and reporting requirements.

Thrift Savings Plan (TSP)

TSP was established January 1, 1987, with retroactive payments which had to be handled manually, and involving approximately 500 employees. The rest of the employees of the Senate were allowed to join the TSP or switch their contributions during three Open Seasons in April, June-August, and November-January 1988.

Booklets were provided to all eligible employees, together with an explanatory cover letter, and extensive time on the part of the Employees Benefits Section's counselors was spent helping employees understand and best use their TSP options.

FERS and TSP meetings were held at least weekly for much of the year, and the Employee Benefits Section personnel attended almost all meetings, collecting information on the new programs for the Computer Center programmers, Payroll and Accounting Sections, as well as the remainder the Employee Benefits Section. These meetings are now monthly and have also been attended by the Payroll representative since October.

Extensive computer modifications were made to implement the TSP, and a "tape" which is sent with our Journal Voucher to the Records Center, had to be created. Modifications to this tape were constantly being made throughout the year.

Federal Employees' Health Benefits (FEHB)

This was the heaviest FEHB Open Season in the past ten years. We now have almost 500 plans, and enrollments/changes were especially heavy as Health

Maintenance Organizations (HMOs) gained enrollees and two self only enrollments became cheaper than one family enrollment (over 2,000 forms--one form for every three employees).

New Senators' Account and Administrative Procedures

P.L. 100-137--the consolidation of the existing Senators' "Administrative, Clerical and Legislative Assistance Allowance" and "Official Office Expense Account" into a fiscal year account to be known as the "Senators' Official Personnel and Office Expense Account." The legislation created two new expense categories in addition to the restructuring of the expense categories affecting the vouchering of certain other expenses. In conjunction with this legislation, changes to the two computer systems within voucher audit were accomplished through the modifications requested of the Senate Computer Center. To ensure a smoother transition for Senate offices, two seminars were held utilizing the five senior members of the Audit staff.

S. Res. 258--requires that no payments or reimbursements for expenses shall be made from the contingent fund of the Senate, unless the vouchers presented for such expenses are accompanied by supporting documentation. This legislation was adopted by the Committee on Rules and Administration after several meetings involving the staff of the Committee, committee chief clerks, and staff from the Offices of the Secretary, Sergeant at Arms, and Disbursing. The regulations accompanying the documentation requirements and new cash advance procedures were also a result of the aforementioned meetings. New forms necessary for the documentation requirements were designed and distributed at seminars, jointly sponsored by the Committee on Rules and Administration and the Disbursing Office, for newly enacted legislation.

OFFICE OF THE SECRETARY OF THE SENATE

	FISCAL YEAR 1988	FISCAL YEAR 1989	INCREASE/DECREASE
SALARIES, OFFICE OF THE SECRETARY			
Total Obligations for Fiscal Year 1988	$8,005,000		
Fiscal Year 1989 Request		$8,165,000	$+160,000
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	$8,005,000	$8,165,000	$+160,000

EXPENSES, OFFICE OF THE SECRETARY

	1988 Appropriation	1989 Budget Request	Increase/ Decrease
Historical Office:			
Books and Documents	$ 1,914	$ 1,900	- 14
Photographic Supplies	6,221	6,200	- 21
Library:			
Online Information Services	50,400	50,400	-0-
Microform Publications	19,140	23,000	+ 3,860
Books	9,000	10,000	+ 1,000
Subscriptions	14,000	15,000	+ 1,000
Standing Orders	10,624	11,000	+ 376
Bindery Materials	-0-	1,000	+ 1,000
Office of Senate Security:			
Maintenance contract for alarm system	3,828	4,000	+ 172
Travel and Registration Fees (Public Law 94-59)	13,398	19,000	+ 5,602
Substitute Reporters and Transcribers (Public Law 89-90)	19,140	19,100	- 40
Office of Public Records (Public Law 92-342)	23,925	23,900	- 25
Consultants (not more than two) (Public Law 95-26)	44,501	49,500	+ 4,999
Legal Reference Volumes and Dictionaries (Senators' Offices) (Public Law 92-51)	62,205	65,000	+ 2,795
Contractual Legal and Administrative Services and Miscellaneous Expenses	57,889	57,800	- 89
Disbursing Office: Payroll Forms, Notary Fees and Supplies, Insurance	29,000	29,000	-0-
Orientation and Training (Public Law 95-94)	1,914	4,000	+ 2,086
Newspapers	28,710	33,000	+ 4,290
Senate Service Awards (Senate Resolution 21, Sept. 10, 1965)	17,226	18,000	+ 774
Postage	6,699	5,700	- 999
Education of Senate Pages (Public Law 98-51, as amended and S. Res. 184, July 29, 1983 and P.L. 98-125)	196,400	200,000	+ 3,600
Stationery	28,155	28,200	+ 45
Commission on Art and Antiquities (S. Res. 382, 90th Congress)	22,011	27,500	+ 5,489
Representation Expenses (Public Law 100-71, July 11, 1987)	-0-	25,000	+25,000
Total Obligations	$ 666,300	$ 727,200	$ 60,900
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	$ 666,300	$ 727,200	$+60,900

SUMMARY OF APPROPRIATIONS REQUESTED

Salaries (salaries, officers, and employees)	$8,005,000	$8,165,000	$+ 160,000
Expenses	666,300	727,200	+ 60,900
Total Obligations	$8,671,300	$8,892,200	$+ 220,900
Total Financing			
Less unobligated balance, start of period	-0-	-0-	-0-
TOTAL APPROPRIATION	$8,671,300	$8,892,200	$+ 220,900

STATEMENT OF STUART F. BALDERSON, FINANCIAL CLERK OF THE SENATE

Mr. Chairman, I appreciate this opportunity to appear before your committee today to testify regarding the budget for the U.S. Senate for fiscal year 1989.

Mr. Chairman, the budget estimates submitted, and which are included in the budget of the U.S. Government, fiscal year 1989, have been developed in accordance with requests and proposals submitted by the various offices and functions of the Senate. The budget estimates for the U.S. Senate for fiscal year 1989, which include all budget amendments submitted to the Director of the Office of Management and Budget, and as presented today, total $380,588,200, an increase of 37,921,200 over the amount appropriated for fiscal year 1988. The budget estimates for fiscal year 1989 are divided into two major categories as follows: (1) Senate items, $374,739,200; and (2) joint items of the Senate, $5,849,000.

The individual account analyses have been included in the budget book previously provided to your committee.

Specifically, Mr. Chairman, the increase in the fiscal year 1989 budget estimates, above the fiscal year 1988 appropriations, are largely a result of: (1) The budget deficit reduction agreement, which required the Senate to absorb all supplemental requests, including the cost-of-living increase for fiscal year 1988 and the additional costs resulting from the revised clerk hire allowances authorized by Public Law 100-202; and (2) agency contributions that have increased due to a larger number of the Senate staff being enrolled in the Federal Employees Retirement System; an increase in FICA costs; and increased costs in the Federal Employees Health Benefits. Other increases are a result of requests submitted by individual offices or funding required by statute or resolution.

Mr. Chairman, I submit for the consideration of your committee the budget for the U.S. Senate for fiscal year 1989.

SENATE BICENTENNIAL

Senator REID. In 1989, we will celebrate the bicentennial of the Senate. Would you update us on the planned events for the Senate and those being jointly planned with the House?

Mr. STEWART. Senator, we have about 25 events that are going to take place to celebrate the bicentennial of the Congress. They range from publication of the history of the Senate, the first volume in 1988 and the second volume in 1989.

The Library of Congress will have a major exhibition celebrating the bicentennial of the Congress from their collections. A film is being produced on the history of the Congress which will be released in early 1989 and that will be premiered at the Kennedy Center.

If you would like, I would be pleased to put in the record this list of 25 events that are going to take place during this year and next year to celebrate our bicentennial.

Senator REID. It would be appreciated if you would do that.

Mr. STEWART. OK, sir.

Senator REID. We will make that part of the record.

[The information follows:]

EVENTS PLANNED FOR 1989 SENATE BICENTENNIAL

Mr. Chairman, I am pleased to provide the Subcommittee with updated information on events planned for the 1989 Senate Bicentennial. These plans include activities sponsored jointly with the House, the Library of Congress, the National Archives, the National Portrait Gallery and several universities. Here is a calendar of major congressional bicentennial events.

*** Mid-1988 ***

Publication of Senator Robert C. Byrd's Addresses on the History of the United States Senate (Volume I).

*** July 1988 ***

Publication of The Diary of William Maclay and Other Notes on Senate Debates, a project of the First Federal Congress Project, George Washington University.

*** September 22, 1988 ***

Presentation of The Historical Atlas of Political Parties in the United States Congress, 1789-1989 to the leaders of the Senate and House. This monumental work by West Virginia University Professor Kenneth Martis graphically portrays, on 100 maps, the results of every congressional election since 1789.

*** January 3, 1989 ***

Publication of the Biographical Directory of the United States Congress, 1774-1989: Bicentennial Edition, a joint effort of the Senate Historical Office, the Office for the Bicentennial of the U.S. House of Representatives, and the Joint Committee on Printing.

*** February 9-10, 1989 ***

Conference: "Toward A Broader Understanding of the U.S. Congress," sponsored by the U.S. Congress, the Library of Congress, the National Archives, the U.S. Capitol Historical Society, and others. This major conference on the "state-of-the-art" in congressional research will feature historians, political scientists, journalists, and current and former members of Congress.

Publication: In conjunction with the conference, the National Archives will announce the publication of A Guide to the Records of the United States Senate (pursuant to S. Con. Res. 64).

*** March 4, 1989 ***

Exhibit: 200th anniversary of the United States Congress. Public opening of a major Smithsonian exhibition at the National Portrait Gallery, "The First Federal Congress: 1789-1791" (congressional preview will be held on March 2 or 3).

*** March 6, 1989 ***

Documentary Film: World premiere showing for members of Congress, and invited guests, of Ken Burns' documentary film "Congress" at the Kennedy Center, including a reception and dinner for 1,200 guests.

*** March 7, 1989 ***

Ceremony: Congress will hold a special joint meeting in commemoration of its bicentennial (March 4 falls on a Saturday in 1989).

*** April 6, 1989 ***

Ceremony: Senate ceremonies to commemorate the 200th anniversary of the Senate's first quorum.

*** April 30, 1989 ***

Ceremony: Congressional participation in New York City ceremonies marking the 200th anniversary of the first presidential inauguration.

*** June-November 1989 ***

Exhibit: "The Senate and the Constitution." This display of original documents, paintings, prints, and memorabilia from the collections of the Senate, as well as other public and private holdings, will show how the institution has exercised its constitutional prerogatives since its beginning. The exhibition is planned for the Russell building rotunda, and a multi-panel poster edition is being designed for distribution to members for display in their states.

*** September 21-22, 1989 ***

Conference: Senate participation in a conference marking the 200th anniversary of the Judiciary Act of 1789, which established the Supreme Court and the Federal Court System. The conference is co-sponsored by the Judicial Conference of the United States, the Georgetown University School of Law, the United States Senate, and the Supreme Court Historical Society.

*** September 29, 1989 ***

Exhibit: Library of Congress exhibition on great themes in the history of Congress. (This event is in the early planning stages.)

*** September-October 1989 ***

Ceremonies and a Conference in Washington, DC and Paris, France in commemoration of the bicentennials of the United States Congress and the French Revolution. Members of the United States Congress and the French Parliament, and American and French scholars would exchange visits for this joint commemoration (in initial planning stage).

*** October 1989 ***

Dramatic Presentation: The historic debates of the old Senate chamber, and its role as stage-center in the first century of our federal government, will be commemorated in an hour long theatrical production to be performed in the chamber during the fall of 1989.

SENATE LIBRARY EXPANSION

Senator REID. In February, we approved a reprogramming from the Architect to permit the expansion of the Senate library into the former law library space. Can you give us an update as to what is happening on this?

Mr. STEWART. I can; yes, sir. The Architect of the Capitol visited me and informed me that we had a severe weight problem that had to be remedied; the weight load in the law library was 300 pounds per square foot, and that all of his experts said that 100 pounds was the allowable limit for that space.

In addition, we had increasing volumes of materials coming in to both the Senate library and the law library. We consulted with both the Rules Committee and this committee prior to reaching the conclusion that we would have to move the law library over to the Library of Congress.

After receiving committee approvals, we then obtained legislation, through this committee, authorizing us to transfer that collection to the Library of Congress. That has been accomplished. That collection in its entirety is in the Madison Library Building.

The space is now being reconfigured to accommodate collections in the Senate library. We are reducing the load factor to the 100 pounds per square foot allowable, and we are reducing the Senate library's collection by 10 percent to meet those load limits.

OFFICIAL REPORTERS USE OF WORD PROCESSORS

Senator REID. It is my understanding that the Official Reporters may start using word processors; is that right?

Mr. STEWART. Senator, the Congressional Record is probably the most expensive document published in the United States, and the major reason is because there are so many keystrokes involved; that is, the transcript may be retyped four and five times over in the Official Reporters' Office. It then is transmitted to GPO and they retype it.

We have been looking at automation processes. We now have a computer which is on loan from GPO, and we are experimenting with it. What we hope to eventually get to is having the words that are spoken in the Senate automatically transcribed and then the material is automatically transmitted to GPO at the same time. That is our ultimate hope. I do not know when we will achieve it, but we are working on it.

Senator REID. What about the word processors? It is my understanding that the reporters now use old-fashioned typewriters, not the word processors.

Mr. STEWART. They do. We have a personal computer on loan from GPO and we are testing it. When they do the word processing at their keyboard, let us say, in the Official Reporters' Office off the Senate floor—if that final copy would then appear at GPO, you will have saved a tremendous amount of work and money.

But as the Members come in and edit this testimony and other people add things, then you may have to make changes several times.

DINER'S CLUB CARDS

Senator REID. Last year, we talked about using the Diner's Club cards.

Mr. STEWART. Yes, sir.

Senator REID. How has that worked?

Mr. STEWART. Well, the interest in using the Diner's Club is increasing, but I cannot say that it has cut down on any of our other work in the Disbursing Office because the interest in obtaining travel advances is also continuing to increase.

This is a service to employees who have to travel so that they will not have to advance money out of their pockets. These cards are issued to employees with no credit check but they remain personally liable.

Senator REID. There has not been an increase or decrease in the number of personnel?

Mr. STEWART. It really has not, sir.

Senator REID. We have some other questions, but we got started a little late so what we are going to do, with your permission—well, we will do it without your permission. [Laughter.]

Mr. STEWART. Fine, sir.

Senator REID. We will submit some questions to you and we would appreciate your responding to them for the committee at your earliest convenience.

Mr. STEWART. OK, sir.

Senator REID. Mr. Grassley has some questions.

SENATE LIBRARY

Senator GRASSLEY. I had some followup on the question of the law library that you have already discussed with the chairman, and I believe the reasons for that action—and I think you did a good job of explaining it, but I just think that the people who have been criticizing it probably do not understand.

If those reasons and the availability of alternative resources were better understood, then I think the critics could be answered. So I think more people need to know what those reasons are.

I think maybe, also, what about the availability of alternative resources that can be used by Senators and staff?

Mr. STEWART. We have met with several groups who seem to have had some heartburn about this action and asked them, "What are the materials you use most frequently?" We have complete collections in the offices of both the Senate Legislative and Legal Counsel.

We are also quite willing to include in the Senate library some items that are most frequently used, and we would like to maintain the collection in its entirety over in the Madison Building, and that will be available as long as the Senate is in session.

Senator GRASSLEY. Would you repeat for me what you said the space is going to be used for?

Mr. STEWART. The space is going to be part of the Senate library. At this point, we are even having to reduce the collection of the Senate library and spread it out so that we are only putting 100 pounds per square foot in this space as opposed to 300. We have had to reduce the height and size of our shelves.

Senator GRASSLEY. So it will not be used for anything other than the library?

Mr. STEWART. It will not; it will be the Senate library.

SUBSTANTIAL INCREASE IN APPROPRIATION

Senator GRASSLEY. The budget justification materials that you submitted in support of your 1989 budget request and the information included in the President's budget show a very substantial increase in the appropriation for new office personnel and office expense accounts that exceed the total of simply adding last year's clerk's higher allowance and the official office expense allowance.

I believe the increase is not as great as it first appears and that there is certain distortion attributable to the manner in which the information is displayed. So I would like to have you explain, if you could, the rationale behind the apparent $45 million increase, and if you can submit any supporting material for the record, I guess I would say that that would be very beneficial.

Mr. STEWART. I will be more than pleased to submit a complete accounting for the record.

[The information follows:]

SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT

Mr. Chairman, The annualized net increase for the Senators' Official Personnel and Office Expense Account for Fiscal Year 1989 over the 1988 appropriation for this account is $12.6 million dollars. This amount represents the funds necessary to fully fund the account for Fiscal Year 1989 as follows; $6.9 million dollars of under funding of the account for Fiscal Year 1988; $.6 million dollars for full year funding of the 1988 cost of living increase; $4.9 million dollars for additional agency contribution costs; and $.2 million dollars for additional funding for population category changes.

The difference between the increase of $49 million dollars shown on the budget summary table and the net increase of $12.6 million dollars is $36.4 million dollars. The $49 million dollar increase represents the comparison of the actual funds transferred from the appropriation accounts; Salaries, Officers and Employees and Miscellaneous Items, effective January 1, 1988 to the 1989 budget estimate for the appropriation account, Senators' Official Personnel and Office Expense Account. However, the salary and agency contribution expenses totalling $34.9 million dollars, which have been incurred prior to January 1, 1988 were not included in the funds transferred to the Senators' account, and remain charged to the appropriation account for Salaries, Officers and Employees. Of this amount $25.4 million dollars is reflected as a reduction in the budget estimates for Fiscal Year 1989, from the line item Administrative, Clerical and Legislative Assistance to Senators. Seventy-five percent of the office expense account authorization of $6.1 million dollars, was transferred to the new Senator's account, thereby leaving twenty-five percent of the authorization in the appropriation account for Miscellaneous Items, for Fiscal Year 1988.

In summary the $49 million dollar increase reflected on the budget summary is comprised as follows:

1. $12.6 million dollars to fully fund the account for Fiscal Year 1989.
2. $34.9 million dollar of salary and agency contribution expenses which remain as charges to Salaries, Officers and Employees.
3. $1.5 million dollars represents the portion of the 1988 Official Office Expense Account which was not transferred to the Senators' Official Personnel and Office Expense Account.

ANALYSIS OF FUNDING FOR THE SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT

FULL FUNDING	FISCAL YEAR 1988	FISCAL YEAR 1989	INCREASE
Clerk-Hire	$ 89,153,500.00	$ 91,130,166.00	
Legislative Assistance Allowance	24,354,300.00	24,841,500.00	
Total Salary Allowance	113,507,800.00	115,971,666.00 (Includes Full Year COLA)	
Cost of Living Increase (2% for 9 months)	1,702,600.00	0.00	
Agency Contributions (23.86% x 115,210,400.00)	27,489,200.00	32,472,100.00 (28% of 115,971,666.00)	
Office Expense Account Allowance	6,100,000.00	6,100,000.00	
Total Fiscal Year 1988 Allowance (Full Funding)	$ 148,799,600.00	$ 154,543,766.00	$ 5,744,166.00

ANALYSIS OF THE INCREASE

Additional Fundings for Full Year COLA	$ 567,500.00
Increased Agency Contributions	4,982,900.00
Increases Due to Population Category Changes	193,600.00
Total Increase	$ 5,744,000.00

FISCAL YEAR 1988 FUNDING

Clerk-Hire and Legislative Assistance Allowance	$ 109,605,500.00
Agency Contributions (23.86% x 109,605,500.)	26,151,900.00
Office Expense Account Allowance	6,100,000.00
Total Fiscal Year 1988 Allowance	$ 141,857,400.00

UNDER FUNDING FISCAL YEAR 1988

Full Funding Senators' Allowances	$ 148,799,600.00
Authorized Senators' Allowances	141,857,400.00
Under Funding of Allowances	$ (6,942,200.00)

ANALYSIS OF BUDGET ESTIMATE INCREASE
FOR FISCAL YEAR 1989

Increase Due to Under Funding of Fiscal Year 1988 Allowance	$ 6,942,200.00
Increase Due to Full Year COLA, Additional Agency Contributions and Population Changes	5,744,000.00
Total Budget Estimate Increase	$ 12,686,200.00

Mr. STEWART. But what we are looking at is approximately a $12 million increase.

Senator GRASSLEY. Say that again, please.

Mr. STEWART. You are looking at about a $12 million increase, not $45 million. That comes from merging accounts last year. We now merge official accounts, office expense accounts, and payroll accounts into the same account, and that is why it looks like a large increase, but it really is not.

Of the total increase, which totals about $12.6 million, half of that is due to underfunding of last year's agency increases; $567,000 is for the full-year cost of living, and $4.9 million represents increased agency contribution costs.

RESTORATION OF OLD SENATE CHAMBER

Senator GRASSLEY. Your statement mentions water damage in the old Senate Chamber caused by the heavy snows in the winter of 1986–87, and you state that it is the third time this has occurred in the last 9 years.

There is nothing in the budget of the Architect to address this, as far as I know, and have you raised the matter with him and do you know of any plans that he may have to make the repairs necessary to prevent the damage from happening again in the future?

Mr. STEWART. I have not raised it with him, Senator, but I will. I would hope that we would not have to do this again. We spent a lot of money restoring that chamber and we would certainly like to curtail any damage in the future.

ADAMS BUILDING HUMIDITY PROBLEM RECTIFIED

Senator GRASSLEY. Have the Senate materials damaged last summer in the Adams Building of the Library of Congress been fully restored, and are you satisfied that the installation of the air-conditioning unit will prevent such occurrences in the future?

Mr. STEWART. My information is they have been restored, that they now have a temperature humidity system that has rectified that problem. They were doing some construction work at the time and it threw the humidity system off balance and caused mold to start forming on the books.

Senator GRASSLEY. Have you taken any precautions like through microfilming the documents, or do we only have the originals?

Mr. STEWART. My understanding is we only have the originals of those. We microfilm some things, but I do not think those collections have been microfilmed.

Senator GRASSLEY. Whose responsibility is it, yours or the librarian's, for the proper care of these materials?

Mr. STEWART. The library is looking after them for the Senate, but I certainly have an oversight responsibility for seeing that they are properly cared for.

Senator GRASSLEY. Who paid for the restoration of the materials and the installation of the air conditioning?

Mr. STEWART. They did.

AVAILABILITY OF HISTORICAL MATERIAL

Senator GRASSLEY. The Historical Office and the Curator's Office have produced or collected a number of materials that deserve wider attention and distribution. Specifically, I am thinking of the documentary film on the history of the Congress and the extensive print collection.

Is there a way in which we can make these materials more widely available? For instance, could we make copies available for sale at the stationery store?

Mr. STEWART. Senator, I will consult with our curator. We would very much like to see if its possible to improve the knowledge of Congress and this could help.

Senator GRASSLEY. I would appreciate it if you would do that.

Senator REID. That is really a great idea. If school districts could buy it and circulate it that way, that is an excellent idea.

Mr. STEWART. I will ask our curator to see if we could have it reproduced and sell it in the stationery store.

TWO-PERCENT BUDGET LEVEL EXCEEDED

Senator GRASSLEY. That is the last of my questions, Mr. Chairman, but if I could just make a general statement, and this would not apply just to you, Mr. Secretary, because it is going to have to apply to all of the people who are going to be testifying today and tomorrow.

As we look at the budget request—and thank you for correcting my statement about the $45 million, but even at the level you state and the levels that are presented by everybody else here, we are way above the 2 percent that the summit agreed to.

The chances of our subcommittee getting money from some other subcommittee or the creation of some new source of money, I do not think are really very good. I have not had a chance to talk with Senator Bumpers about that or any other of my colleagues.

NEED FOR ESTABLISHING PRIORITIES

But as I look at the requests that are coming in and then what do we do about it, if we are going to stay within them—and I assume we have to; at least it is my intention to—it is going to really take some jockeying around of numbers and reestablishing of priorities, or maybe the establishment of priorities.

I guess for you as well as everybody else, I would just hope that there is some way we can work together on this as opposed to sometimes the feeling we get, maybe not so much from the legislative branch witnesses as we do from the people from the bureaucracy downtown, but take the approach, you know, that we call the Washington Monument approach; that we are going to shut down the Washington Monument on Sunday afternoon if we do not get all the money we want.

That sort of thing then forces upon us—and maybe we are not in the best position ourselves to set these priorities. Hopefully, you can work with us so that we can get the priorities set.

I want to, you know, in the process commend anybody, including yourself, who does come in with a budget under the 2 percent. But, you know, the entire legislative budget that we are operating here with—you know, some of these increases are 28 percent, some 12 percent, 13 percent, 5.5 percent, you know, et cetera, et cetera.

And so we are going to have to ask for that sort of cooperation, and it eventually has got to get down to each one of us who are Members, whether or not we ourselves can live within that 2 percent.

MONEY-SAVING IDEAS SOLICITED

I suppose, Mr. Secretary—and I would not be any exception to this—probably talking to you over the course of a year always with ideas on how you can spend more money, we probably do not come to you with very many ideas on how to save money. We are going to have to probably change that approach.

So I would ask any of the people testifying today to think in terms of maybe not doing that for us today, but you are going to have to do it in the future because I am sure that we as members of the legislative branch who were part of this grand compromise with the White House are going to have to set the example if we expect the rest of the agencies to so do.

Senator REID. We appreciate your testimony here today. Thank you very much.

Mr. STEWART. Thank you, sir.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to the Office of the Secretary for insertion in the hearing record:]

QUESTIONS SUBMITTED BY SENATOR BUMPERS

Question. Last year we asked about the implementation of a new payroll and personnel system. I understand that is now being implemented. Are there any problems with this system? Who is writing the program for you?

Answer. The new payroll/personnel system went into production beginning in January 1988 which was the first phase of a new financial management system. As with any new system some problems have been discovered. However, they are being researched and resolved on a priority basis. There is still a great deal of work to be done as some of the development of the new system was not required with initial implementations. The development of the new payroll/personnel system as well as the subsequent development of the financial management system, is a joint endeavor between the Secretary of the Senate, Disbursing Office, and the Sergeant at Arms' Computer Center, with the Computer Center doing the actual programming.

Question. To what use is the $60,000 worth of equipment used in the Disbursing Office's FERS classes to be put?

Answer. Mr. Chairman, the personal computers were purchased by the Computer Center at a cost of approximately $60,000 for the purpose of educating Senate staff on the new federal employees retirement system [FERS] and were set up in a training facility room assigned to the Senate Computer Center.

It is my understanding the equipment will remain in the training facility and will be utilized by the Senate Computer Center for training Senate staff in the use of other personal computer [PC] applications such as Word Perfect, Lotus III, and various other PC-based packages. In addition, should pending legislation be enacted authorizing a second FERS open season, this facility would again be available to Senate staff to educate themselves with benefits of the federal employees retirement system as compared to the benefits of civil service retirement system.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

STATEMENT OF HENRY GIUGNI, SERGEANT AT ARMS AND DOORKEEPER

ACCOMPANIED BY:
FRANK KERRIGAN, CHIEF, CAPITOL POLICE
MARY RUTH ALTER, DIRECTOR, COMPUTER CENTER
DENNIS DOHERTY, BUDGET DIRECTOR
ROBERT McCORMICK, TELECOMMUNICATIONS OFFICE

OPENING REMARKS

Senator REID. The next witness this afternoon will be the Sergeant at Arms of the Senate, Henry Giugni.

If, Mr. Giugni, you would introduce those that are with you and summarize your statement, your full statement will be made part of the record and the committee will proceed to ask you questions.

Mr. GIUGNI. Mr. Chairman, I am pleased to meet with you again to discuss the programs and services provided by my Office and to present my fiscal year 1989 budget request.

INTRODUCTION OF ASSOCIATES

I have asked key members of my staff to sit with me at the table and I would like to introduce them at this time: Chief Frank Kerrigan, who is now the new Chief of the Capitol Police; Mary Ruth Alter, the new Director of the Computer Center; Dennis Doherty, the Budget Director; and Bob McCormick of Telecommunications.

Before I begin, Mr. Chairman, I want to thank you and members and staff of this subcommittee for the support I received during my first year in office. My emphasis has always been on improving services to the Senate. Whatever success we had over the past year would not have been possible without the cooperation and the resources provided by this subcommittee.

BUDGET REQUEST

The budget I am submitting totals $115.8 million, a net increase of only 1.2 percent over last year. This includes a 13.8-percent increase in salaries, offset by a 6.7-percent reduction in expenses. The increased pay costs are intended to cover COLA, pay administration, and 103 additional positions, most of which will only become necessary if several pending projects are activated.

The decrease in expenses is the result of a decision by this subcommittee and the Rules Committee to buy out all leased office computer systems last year. The decision has already paid for itself.

My formal submission includes specific details of the total request. I will just take time now to discuss the three areas which, in my experience, are of the greatest concern to Senate users: telephones, computers, and security.

TELECOMMUNICATIONS

First, telecommunications. To say the least, it has not been an easy transition to the new system. At one point last year we were getting 700 trouble calls monthly. While there has been improvement, much remains to be done and will be done.

Bob McCormick is working with vendors, the Rules Committee, and the Architect to address the problems that have been experienced with the new system. There were some bright spots for telecommunications. We piloted a voice mail system. We extended the paging system over the entire metro area and we put into place one of the best fax-exchange systems in the country. Next year, we will need eight more positions to support the new system and to assume some functions now handled by vendors.

I am also asking for $2 million more in operating expenses to pay for the cost of the moves and changes that will follow the November elections and to establish a reserve for possible upgrades to the system.

COMPUTER CENTER

Second, the Computer Center started several projects in fiscal year 1988 that require additional support next year. These are state office automation, microcomputers and local area networks, and upgrades to LEGIS and CMS.

In the survey I did in December, users said over and over again that the Computer Center may not have the resources to provide adequate support. I agree, and am asking for 39 new positions to provide technical and educational support for these and other projects.

Many of these positions will replace vendors, resulting in improved service and reduced costs.

SECURITY

Third, security. Over the past year, there were 1.5 million visitors to the Capitol, 9 Presidential visits, more than 1,500 VIP visits, the Iran contra hearings, the bicentennial celebrations both here and in Philadelphia, and meetings of Members in Williamsburg and elsewhere requiring Capitol Police security work.

In 1987 alone, there were almost 500 threats to Members and the Capitol complex in the form of letters, packages, telephone calls, and visitors. To deal with these security risks, the necessary groundwork has been laid for the metal detector screening of employees entering the Capitol and Senate buildings and for a delivery center pilot.

Last year, this subcommittee suggested using civilians and handicapped individuals for some of these jobs and we intend to do so.

There are 50 new positions requested for the police. These are 12 civilians to load and unload trucks for the delivery center pilot if it is given final approval by the Capitol Police Board, 37 civilians for the CCTV system, contingent upon equipment upgrades, and 1 civilian programmer to maintain the computer system.

Mr. Chairman, that concludes my remarks. My staff and I are prepared to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF HENRY K. GIUGNI, SERGEANT AT ARMS AND DOORKEEPER

Mr. Chairman, it is a pleasure to meet with you again to discuss the activities of the Office of the Sergeant at Arms and to present the fiscal year 1989 budget request. I am also presenting the FY89 budget request for the Capitol Guide Service as well as operating expenses of the Capitol Police, both of which are funded as Joint Items in the Legislative Bill.

Before I begin, Mr. Chairman, I want to thank you, and the Members and staff of this Subcommittee for the support extended to the Office of the Sergeant at Arms during my first year in that office. Any successes we may have realized in the past year would have been difficult or impossible without the cooperation and resources provided by this Subcommittee, and for this we are most grateful.

The proposed FY89 budget of $115.8 million for the Office of the Sergeant at Arms is primarily a maintenance budget, providing a net increase of only 1.2% over FY88. This very modest request is composed of a 13.8% increase in salaries offset by a 6.7% reduction in expenses. The additional salary money is requested to cover cost-of-living adjustments, pay administration, and the addition of 103 positions. While I hesitate to continue building the number of staff in an environment that demands fiscal caution, I forward these recommendations because I believe that they are necessary to ensure improvements in the quality of services and level of security provided Senate offices. The decrease in expenses represents the savings realized by the decision of this Subcommittee and the Committee on Rules and Administration to purchase the previously leased office automation systems. This decision has already paid for itself.

The emphasis of the Office of the Sergeant at Arms has been the recognition of the value of our employees and service to the Senate. In regard to the former, I am especially proud of two initiatives begun by the Executive Office of the Sergeant at Arms. A monthly internal newsletter was created in August 1987. It has been successful in developing closer coordination between the various departments and in giving special recognition to departments and employees who have performed in an exemplary manner.

I have also instituted a pilot program to provide worksite wellness instruction to employees in an effort to reduce absences due to illness and the rising incidence of Workers Compensation Claims for injuries on the job. Currently more than 200 Service Department and Executive Office employees are participating in the program on a voluntary basis, and plans are underway to expand the pilot to other divisions. Although an analysis of direct benefit is premature at this date, it is hoped that the program will result in increased production, healthier employees and some reduction of sick leave costs, currently about $100,000 annually in the Service Department alone. In connection with this program I am requesting 1 additional position and $10,000 funding for materials and support.

In regard to services to Senate offices, I am proud to say that the quality of services in a number of areas have either significantly improved or have been supported at an already high standard. Potential problems in other areas have also been identified. Results of a year end evaluation conducted in December 1987, in which 88 out of 149 Senate offices responded, indicate that Senate offices find the quality of services near excellent in the Senate Service Department, the Recording Studio, and the Photographic Studio. This applies—both to the personnel as well as systems performance. Potential problems were confirmed or identified with regard to computer and telephone services. The budget that I am presenting today addresses efforts to resolve these problems as well as to maintain and enhance the high quality areas identified by our survey.

SENATE RECORDING STUDIO

The Senate Recording Studio, under the direction of Jim Grahne, is one of these high quality areas. Last year, I came before you to ask that additional positions be funded in connection with the implementation of a development plan for a modernized production recording facility. I am pleased to tell you today that the implementation of this plan has resulted in increased demand for services, lower prices to the Senate, enhanced offerings, and a very high level of user satisfaction. In 1987, work orders for radio and video production services increased by 23.6% over the previous calendar year. Due to lower prices, however, gross receipts in the Revolving Fund increased by only 1% over the same time period. Increased demand for new and expanded services may require the acquisition of new and costly equipment which may strain the capacity of the Revolving Fund to fully capitalize, as well as the capacity of the current physical plant to house these services. At this time however, no funding or additional personnel are requested for FY89.

SENATE PHOTOGRAPHIC STUDIO

The Photographic Studio, under the direction of Alan Porter continues to provide expert services with limited resources. Personnel and equipment are currently at maximum capacity while demand for services continues to grow. Survey comments reflect a need for faster turnaround time for photo processing and delivery. Existing space and cost limitations make it impractical to address this issue at this time. However, some efficiencies may be realized as a result of a study in progress for enhanced delivery and order tracking. No additional staffing is requested.

SENATE SERVICE DEPARTMENT

Senate offices rated the Senate Service Department, under Director Russell Jackson, highest in both personnel and systems performance—an arresting accomplishment when considering the more than 250 million pieces of mail printed or processed there in the last calendar year. I am most pleased to report that the $450,000 optical scanner purchased with this Committee's approval last year is projected to result in a net savings to the Senate of $1.3 million in return postage during calendar year 1988.

Two areas of concern expressed by Senate offices are addressed in this budget. Three positions in the Reprographics Section are requested to facilitate turnaround time for "rush jobs." Additionally, funding is requested for equipment to provide multi-color printing on a large-scale basis. Other increases in operating expenses are associated with higher costs for purchase, lease, and maintenance of standard issue office equipment. Also, experience demonstrates that expenditures for these items will increase during the first session of a new Congress as new offices are established.

SENATE TELECOMMUNICATIONS

The Senate Telecommunications Department had a difficult year. Unanticipated technical problems with the new telephone switch resulted at times in a level of service that was close to unacceptable. There were over 700 trouble calls monthly in the period from September through November 1987. Immediate actions were taken to address the problems. System performance, while still not entirely satisfactory, has improved. Director Bob McCormick is currently involved in negotiations with relevant vendors to ensure that the highest performance standards are met.

Telecommunication's accomplishments include the piloting of a voice mail system for the Senate, the implementation of an expanded paging system, and the successful operation of a complex and extensive fax-exchange system.

In order to ensure greater efficiency in the administration of the new telecommunications system, as well as greater responsiveness to Senate needs, I am requesting 8 additional staff positions. Several of these positions are needed to perform functions presently handled by vendors.

An increase of $2 million in operating expenses is requested for anticipated costs associated with moves and changes that will take place at the beginning of the next Congress, as well as to establish a reserve for possible upgrades to the existing system.

SENATE COMPUTER CENTER

Fiscal year 1988 saw a number of notable accomplishments in the delivery of information services to the Senate. The Senate Computer Center conducted a pilot test of extending office automation services to the state offices, began installing microcomputers in Washington offices in accordance with approved allocations, and initiated the commercial information services program. Access to the AP newswire will be implemented in FY88.

As previously mentioned, all office automation systems were purchased, all Member and Committee offices have received office systems, and a local area network program has been initiated. A consultant is being acquired to help in the formulation of a data communications facility to last into the next century. Finally, the Executive Advisory Committee has worked on the initial phases of a long-range plan for Senate computer services.

Major issues for FY89 are based on the continued implementation of activities begun in FY88 for the many automated services offered. Senate users, through surveys, have expressed significant concern that the Computer Center may not have sufficient staff to provide acceptable levels of support. A critical thrust in the second half of 1988, into 1989 and beyond, is a renewed emphasis on strengthening support to Senate users. This will be highlighted by taking over vendor-provided support and strengthening the Senate's internal consulting program. Another thrust is the continuation of the new services provided in 1988, as well as continuing the upgrading of our major offerings, such as LEGIS and CMS. Under newly-appointed Director, Mary Ruth Alter, 1989 should see the startup installation of a new data communications facility. My request provides for the continued support and upgrade of the office systems, with emphasis placed on the upgrading of work stations to intelligent devices for Senate staffers.

An increase of 39 positions over current staffing levels is requested to address shortages in Computer Center support for major projects, including minicomputer applications development, microcomputer and local area network installation and maintenance, state office automation and user consultation and training. Many of these functions are currently performed by vendors, and implementation of in-house support is expected to result in substantial future savings in vendor costs. The purchase of office computer systems initiated by the Center resulted in a decrease in operating expenses of $7.8 million from FY88.

UNITED STATES CAPITOL POLICE

Chief Frank Kerrigan assumed the leadership of the United States Capitol Police in August of 1987. Under his leadership, plans have been made for the magnetometer screening of employees entering the Capitol and Senate Office Buildings and for the pilot delivery center. Development of both programs is only possible thanks to the leadership of this Subcommittee. And, as requested by this Subcommittee, additional positions required to implement the screening program will be offset by the hiring of civilian personnel to fill positions currently occupied by uniformed officers.

Contingent upon Capitol Police Board approval of a final plan, the implementation of the delivery center will require at least the temporary employment of 12 civilians to assist in loading and unloading. Retention will be dependent upon the results of the pilot program. Anticipated completion of upgrades to the closed circuit intrusion detection system [CCTV] will require the hiring of 37 civilians if the maximum potential of the system is to be realized. This necessity during FY89 is contingent upon the completion of improvements currently in progress. Finally, a civilian computer programmer is requested to assist in the maintenance of the Police computer system. Increasing automation demands make it impossible for the one officer assigned to this task to effectively serve the force. The Senate Computer Center has agreed to assist in the training and support of this position.

Mr. Chairman, I believe that the budget I am presenting represents a prudent and fiscally responsible approach to meeting the needs of the Senate. I am proud of what we have been able to accomplish over the past year and, with the assistance of this Subcommittee, look forward to continuing improved and expanded services to Senators and their staffs in the year to come.

Thank you for the opportunity to appear before you. I have asked my directors and staff to join me here today, and we would be pleased to answer any questions you may have.

OFFICE AUTOMATION EQUIPMENT

Senator REID. Last year, we provided funds for a number of initiatives in the Computer Center, including state office automation. You have touched upon this briefly in your opening statement, but could you tell us how many offices you will do this year and what your plans are for next year?

Mary Ruth Alter, are you going to respond to that?

Ms. ALTER. Yes, sir.

Senator REID. Please do.

Ms. ALTER. We have just completed our pilot for state office automation and installed office automation equipment in eight offices. We have finalized our report on that pilot and have submitted the report to the Rules Committee.

In the report, we have an implementation plan that covers the installation of office automation equipment in the 375 state offices. We think that we will be able to install at the rate of 10 offices per month once we get the program underway, and we anticipate that we would be prepared to do that this summer.

So by the end of fiscal 1988, we ought to be able to have 25 to 30 offices installed, with an additional 120 offices installed in fiscal 1989. Our anticipation is that by the end of calendar year 1989, dependent upon Rules Committee authorization, we would have installed computer equipment in at least two state offices for each Senator.

So our schedule indicates that over a 2½-year period, we should be able to install office automation equipment in the 375 state offices.

Senator REID. Is this the reason you are seeking 39 additional positions?

Ms. ALTER. A large part of that; yes, sir. We anticipate that as many as 20 of those positions would be associated with this installation, 10 directly and an additional 10 doing other partial office automation installation work in DC and state offices, and also supplementing our staff in other areas.

Senator REID. Chief Kerrigan, this is your first appearance, as I understand it, before this committee; is that right?

Mr. KERRIGAN. Yes, sir.

Senator REID. What are your security priorities for the coming year?

SECURITY PRIORITIES

Mr. KERRIGAN. The security priorities for this coming year will be implementation of the off-site delivery center, the interim plan for security for the Senate office buildings, and the Capitol itself.

Senator REID. Are these plans any different than your long-term plans, the plans for next year?

Mr. KERRIGAN. Yes; they are.

Senator REID. Tell us about some of your long-term plans, then.

LONG-TERM SECURITY PLANS

Mr. KERRIGAN. All right. If you want to, we can go into the security plans that we have for the Capitol itself, which we call plan B, and it goes in stages. What we plan to do, first of all, is remove the parking from the Plaza of the Capitol itself.

If I may just stand here, it is easier to show you just exactly what plan B is. Like I say, the first part of the plan is to remove the parking from the Plaza itself on both sides.

The second phase is to place bollards around the West Front and also the East Front where it is still accessible at this time. The third phase of the plan is to stage a visitors center on either side of East Capitol Street, and also to put staff entrances on the north and south of the Capitol where they would enter and be checked.

The fourth stage—and this has all been submitted to the leadership for approval and the ultimate decision will come from them on whether there will actually be a fence on the East Front or the concrete barriers that we have out there now, with rope and sensors both on the east and west side of the Capitol.

WEAPONS SEIZED

Senator REID. Chief, there is testimony from the Sergeant at Arms on the House side that indicates that there were over 1,000 weapons seized.

Mr. GIUGNI. May I answer that question?

Senator REID. Yes.

Mr. GIUGNI. I know that the House Sergeant at Arms stated that there were 1,162 weapons that were seized. I would like to break that down. During the year 1987, there were actually 14 guns that were seized; among them, .25 caliber automatics, .22 caliber automatics, one .357 revolver, and a .44 caliber revolver.

In knives and switchblades, there were a total of 65 switchblades, stilettoes, razor blades, and butterfly knives. There were approximately 13 throwing stars, brass knuckles, clubs, night sticks, blackjacks. There were 1,162 mace and tear gases seized.

Senator REID. So the vast majority of them were probably things that women had in their purses?

Mr. GIUGNI. That is correct.

Senator REID. But, still, 14 guns is a lot of guns. Do you have any idea if, in fact, people had any evil intent with these guns?

Mr. GIUGNI. Well, I can never judge when they have an evil intent. It is not up to me to make that decision. We had an 85-year-old woman from Tennessee. If she would have shot her gun, it would have blown up in her hand, but when she left Tennessee the sheriff said you are going to that big, bad city in Washington; you had better take a gun with you. The poor thing came through our detectors and we had to detain her. We do have some of that.

REMOVAL OF AUTOS ON HOUSE SIDE

Senator REID. Henry, one of the concerns that I have and I think we all have is about an issue we spent a lot of time on with you last year and you did a commendable job—and I indicated I was appreciative of that on other public occasions—in removing the automobiles from the East Front of the Capitol.

Now, that has been done basically on the Senate side, but not the House side, and because of that it looks a little strange that there is parking on one side and not on the other.

Is that going to go on forever? We found a place for the Senate cars; why can we not find a place for the House cars?

Mr. GIUGNI. You know, security is security. My job is the security of the Senate side and, you know, I would like to remove all parking from the Plaza. But I know that there is no possibility—and you are a former Member of the House, sir—that the House will do anything during the 100th Congress.

They say in the 101st Congress they will remove it, and when they are prepared to move theirs, I am prepared to move all of our cars under this plan off of the Plaza.

Senator REID. My concern, of course, is that until these vehicles are moved, the plans that you have here on the visual aid that you showed us for making that asphalt area into a pedestrian plaza cannot be implemented. I think we really cannot do much about that when there are cars out there.

Mr. GIUGNI. Mr. Chairman, if that program is approved by the leadership and the whips, the cars will be immediately removed. But I think it is unfair to the Senate employees for me to remove the bulk of the Senate side and nothing happens on the House side and they park their overage on our side of the lot.

Senator REID. Is there anything that we can do to help with that?

Mr. GIUGNI. I think the Senate whips are trying very hard to work with the House whips on this program.

POLICE MONITORING OF TV INSTALLATIONS

Senator REID. The police are asking for an increase of 50 positions; 37 of those are for monitoring the TV installations. We talked about this last year and thought that it might be appropriate not to have trained police officers watching TV sets all day.

What has been the status of that? Either you or the Chief can respond to that.

Mr. KERRIGAN. We are currently in the process now of replacing the officers in the video section with civilians. We hope to have the first ones on board in May of this year.

Senator REID. That answers the question.

Mr. KERRIGAN. OK.

NEW SENATE TELEPHONES

Senator REID. In July 1987, installations of new telephones in the Senate were halted. Could you update us as to what has happened in that regard?

Mr. McCormick. Yes, Mr. Chairman. The Senate Sergeant at Arms, the Committee on Rules and Administration, and C&P conducted seminars for representatives of the offices with the new telephone systems.

C&P then brought in technical personnel from Northern Telecom, the manufacturer of the switch and telephone equipment. This resulted in significant hardware additions and modifications and software changes for the switch to handle the volume of the traffic over the last 5 months. These actions appear to have resolved many of the user problems.

We also prepared a service acceptance plan. It has been formulated by the Sergeant at Arms, Rules and Administration, and the Senate consultants. This plan will measure acceptable levels of service used to monitor the quality of service provided to the Senate. The service acceptance plan was delivered to the C&P president for his concurrence.

Senator Reid. Thank you very much.

Senator Grassley.

POLICE MOVE TO IMMIGRATION BUILDING

Senator Grassley. When do you expect to move the Capitol Police from their present quarters in the Capitol Plaza Hotel to the renovated Immigration Building?

Mr. Giugni. I would refer this to the Chief.

Mr. Kerrigan. The plans are right now to move in some time this summer. The contractors that are in there now plan to be out in late April, I believe, and the Architect's force will then go in and complete the necessary work to be done. In the last conversation we had, it would be some time this summer.

Senator Grassley. Well, then, that Capitol Plaza Hotel is going to be torn down; right?

Mr. Kerrigan. That is correct.

Mr. Giugni. Yes, sir.

PARKING PLANS FOR CAPITOL PLAZA HOTEL SPACE

Senator Grassley. And then what are the plans for that space where the old hotel is now?

Mr. Kerrigan. I can answer that question. It is going to be turned into a parking lot. It will be razed and turned into a parking lot.

Senator Grassley. Let me ask you this, because this follows on where Senator Reid left off. It seems to me like with the correct type of parking there that that space could be used for the rest of the Senate, the parking spaces being removed from the Senate. Would that not be possible?

Mr. Giugni. What I have just been told is that would only provide for approximately 30 automobiles in there.

Senator Grassley. I guess what I would like to ask you to do is to see if it would not accommodate more, and I would like to have a commitment that that space be used to take care of that parking that we are trying to get off the east side of the Capitol.

Or let us put it this way: whatever more space is available car by car, spot by spot, I would like to see the cars moved from the East Front of the Capitol to that space.

Mr. GIUGNI. You have my commitment.

Senator GRASSLEY. Thank you very much.

Also, in regard to the number of weapons that have been confiscated and detected—and I think probably you are correct that you do not know the motivations of the people, but I just wonder if all this information should not be known before we rush ahead with the expensive security improvements in addition to those approved a few months ago.

In other words, I think we need some of these questions that have been asked by Senator Reid already to be answered, the type of weapons, the number, the motivations of people, what the intent of the people is who are carrying them. That seems to me to be very important information before we go ahead.

Mr. GIUGNI. We will have that in writing to the committee by the end of next week.

Senator GRASSLEY. Could I ask you, Mr. Giugni, to comment on the fact that—you know, I have noticed that your budget only has a 1.2-percent increase, but if you look at the individual components, the request depicts, I think, a little different picture or situation.

Much of the decrease in the expense account is attributable to a onetime reduction in the office automation account, and with your proposed staffing increases for the Computer Center, I would expect that we would see some of that expense rise over the next year.

In fact, your proposal to add 103 new positions overall in fiscal year 1989 has some implications for a lot of additional costs locked in for every year into the future. I do not want to go through the additional positions that already have been discussed in regard to the Capitol Police or the Computer Center, but I need this question answered.

JUSTIFICATION FOR ADDITIONAL POSITIONS

Can these additional positions be justified when we hold our domestic discretionary appropriations to that 2-percent increase?

Mr. GIUGNI. I would like to defer that to my very able Budget Director.

Senator REID. Would you also state your name?

Mr. DOHERTY. Certainly. My name is Dennis Doherty and I am the Budget Director for the Sergeant at Arms.

Senator, the 103 new positions are, as has already been entered into the record, 39 for the computer center, 50 for the Capitol Police; we are asking for 8 for telecommunications, 3 additional positions for the Service Department, 2 for the post office, and 1 for the Press Gallery.

The bulk of these positions, primarily the ones under the Capitol Police—I think it is 49 out of the 50—are contingent upon certain initiatives moving forward. At this time, it is unclear to us whether or not these projects will move forward. If they do, we would need them. If not, then there would be 49 positions that could be stricken from this request.

The 39 positions in the computer center, as Mary Ruth indicated earlier, a lot of this is tied into providing expanded service to state offices. This is a mandate that the Sergeant at Arms has been given, and in order to follow through on that most, if not all, of those positions would be necessary.

Telecommunications—we are in the throes of making a transition to a new switch. A large part of what we are trying to do with these new positions is to take over responsibilities that are currently provided by C&P or other vendors, to bring those responsibilities in-house. We do expect that, long term, we should realize some savings by bringing those functions in-house.

Does that answer your question?

Senator GRASSLEY. Yes; I believe you did, but just for summary, of the 103 new positions, then, what number did you give me that are policies yet to be decided?

Mr. DOHERTY. Forty-nine.

Senator GRASSLEY. So about half?

Mr. DOHERTY. Yes, sir.

Senator GRASSLEY. About half, you do not feel you are locked into. The other half, you feel you are locked into; right?

Mr. DOHERTY. Well, there may be additional positions that could be moved there, but I would not guess that it would be more than a handfull. We have asked for what we feel we need.

Senator GRASSLEY. That is all I have.

Senator REID. We have a vote pending. In closing this hearing on the Sergeant at Arms, I was riding on the subway car today, Mr. Giugni, and there was an employee that had been around the Capitol and had served under nine different Sergeants At Arms and he indicated to me that you had done a commendable job, and in comparison to the other eight that you were head and shoulders above the others. And I certainly do not think that in any way reflects poorly on the others, but just reflects a good note for you.

SUBMITTED QUESTIONS

We are in possession of communications received from Douglas B. Hester, Legislative Counsel, and Michael Davidson, Senate Legal Counsel, in response to submitted questions. Without objection, we would like to enter them at this point in the record, together with the submitted questions of Senator Bumpers.

[The questions and answers follow:]

Questions Submitted by Senator Bumpers

COMPUTER CENTER

Question. Last year the Rules Committee approved and we appropriated funds for Senators to subscribe to commercial legislative and information systems. This was to provide for service during the gap between now and the time the Senate's own Legislative Information System (LEGIS) was revamped. How many Senators are taking advantage of these outside services and what is the status of the LEGIS rewrite?

Answer. Commercial Information Systems - This program was officially initiated January 1, 1988. As of now, there are 10 vendors on the registry with 4 others in the process of being added. Approximately 65 offices have signed contracts for the use of these services. It is anticipated that all offices will take advantage of this service on a continuing basis. For that reason, funds are being requested in the FY89 budget for this service at the level authorized and funded in FY88 ($1,332,000).

Legis Rewrite - The first phase of the Legis rewrite, and enhancement of the product, is scheduled for introduction during Spring 1988. The requirements study for the second phase is in progress, and major activities towards identifying appropriate database software, and defining the other programming aspects will commence following completion of the study. It is anticipated that work on this project will extend into 1989, so there have been funds requested ($1,400,000) in FY89 to cover these additional efforts.

Question. We also continued available funds to rewrite the Senate's Correspondence Management System (CMS). Where are you on that undertaking?

Answer. With Rules Committee Technical staff, the Senate Computer Center is currently reviewing a proposal to upgrade the data entry and office printing functions as the first phase in evolving an enhanced CMS operation. It is expected that this software development and upgrade of the workstations and printers will occur during FY88. The next phase of the project will be to define and implement all the user requested changes needed to standardize the product. Additional funds of $2.22 million are requested in the FY89 budget to accomplish this second phase, which is also necessary to make it appropriate for a competitive procurement.

Question. The Computer Center is seeking 39 additional positions, approximately a 20% increase. Why are those positions required?

Answer. Over the past several years, the Senate has experienced a tremendous growth in the services offered to offices. This is represented by the growth from approximately 2000 workstations in FY 1985, to the projected level of 7000 workstations by FY 1989. In that same time period, there were no corresponding increases in the staffing level of the Computer Center to support this growth. There were, however, funds available to obtain support by contracting with the vendors. This year there are 15 persons obtained through contracts with the OA vendors. During Fiscal Year 1986, a large number of Computer Center staff left to obtain employment outside the Senate. At that time, the Committee on Appropriations reduced the authorized staffing level since there were, at the time, a substantial number of vacancies. The Computer Center has, over the past year, been rebuilding its staff to support the increased number of Senate users and equipment, to handle the massive state OA program, and to support existing technologies while introducing new technology into the Senate (micro-LANs). The need for additional staff is well documented. Many users have commented that Computer Center support did not measure up to what it should be because of a severe lack of resources and that the dollars invested in expensive systems were often not maximized because of this poor support. The request for a 20% increase in staff is based on two aspects: the first is our increase of 26 (12.5%) to bring the authorized staffing back to just over the 1986 levels; and an increase of 13 (6.3%) to replace the 15 vendor support personnel.

Question. In the Applications Development area a total of 6 additional programmer/analysts positions are requested. What duties are performed by these persons and couldn't programming services be contracted out?

Answer. The programmer/analysts in the Applications Development are to provide evaluation, analysis, design, and computer programming and testing for Senate information systems. The additional staff are requested to support the implementation of new projects and activities, such as enhanced publishing capabilities, the LEGIS rewrite, and minicomputer-based (Data General, Honeywell, Prime) applications. Some programming related duties can be performed using contracted resources. However, other activities are accomplished in a more effective manner using in-house personnel, since they require a knowledge of the Legislative process, the Senate environment, and Senate office procedures. A program to utilize contractor supplied programming resources was planned for FY 1988, to level the peaks and valleys of the development process. The same level of funding is being requested in FY 1989 to accomplish the same objective. For instance, the LEGIS rewrite will require both in-house staff and contractor supplied resources to complete the program.

Question. A total of 14 additional staff are requested for Education and Support Services. Has consideration been given to contracting for training and support services, particularly for State offices?

Answer. The Senate has functioned in a mixed-mode of in-house/vendor supplied training and support for a number of years, and will continue to function in that manner, combining Computer Center personnel with contracted personnel. There are some specialized courses, such as office system administration, that are best provided by the vendor. In addition, there are occasions when specialized support can be obtained through contractors. The additional training and support personnel in the Computer Center are needed to allow the Center to be more responsive to the needs of the Senate users. For state office training, we will continue with a combination of interactive training programs, computer-based training (self taught) programs, and instructor led training by Senate staff. Additional staff are necessary, not only to perform training in states where local vendor training is not available, but to develop the course guides, and computer-based lessons for Senate specific applications that vendors have no course for, that will be a part of the program. Also, the needs of the users in the 375 state offices vary as to familiarity with computer-based applications. For this reason, a combination of delivery vehicles must be provided. Furthermore, the Senate, over the past year, has been moving into the new microcomputer technology, with local area network configurations now in large committees. This technology has its own requirements for training and support, and will not diminish the same training and support requirements already supplied for the minicomputer and mainframe (IBM) computer applications. In addition, the anticipated changes to CMS will require new training development and delivery; this system is Senate specific and therefore, no external vendor can provide training in it, both in D.C. and in state offices.

Question. How many of these requested staff resources are intended to provide extended coverage beyond normal business hours? What hours will support staff be available?

Answer. At least one of the fourteen positions will be scheduled to provide late hour coverage to Senate users. Whether or not additional positions are required for additional staffs on an extended basis will be determined by the needs of Western states in the office automation program. The support staff will be available 8:00 am - 8:00 pm Eastern time, Monday through Friday, and from 10:00 am - 6:00 pm on Saturday.

Question. Nine additional staff are requested for Computer Facilities. Again the need for extended hours and the plans to bring vendor supported activities in house. How many of these positions are to provide for extended hours of service? Also provide information on the cost benefit of establishing a Senate maintained hotline.

Answer. Four (4) of these positions are for extended hours of service, two in our Network Technical Control Center, and two in our Customer Support Section. The extended hours in our network control area will extend evening coverage, particularly for state offices, from 7:00 pm until 8:30 pm, Monday through Friday. The customer support section will require the two additional people to provide daily coverage until 8:00 pm, instead of 6:00 pm, and Saturday coverage from 10:00 am to 6:00 pm. This extension in Customer Support assumes that the Senate will take over the OA vendor hotlines. In addition, the Senate Computer Center may have to extend its support coverage as more microcomputers and Local Area Networks are installed in the state offices. If the Senate assumes the vendor hotline responsibilities, by adding 4 positions in Customer Support, we can eliminate contracting with Prime, Data General, and Honeywell for their hotline coverage. This would eliminate an annual payment of more than $230,000. Additional annual savings of up to $1,000,000 could be achieved if the staff requested for takeover of support functions, included in the FY89 request, were also approved. The FY89 budget request assumes that the additional staff will be approved, and has therefore been reduced in the area of vendor support.

UNITED STATES CAPITOL POLICE

Question. Last year we included approximately $600,000 for various security enhancements, including additional magnetometers and x-ray machines, a pilot delivery center and 12 additional canine teams. What is the status of each of these items?

Answer. As you know, the Interim Security Proposal has been authorized and funded. These funds that you have mentioned are being utilized for the three major components outlined below.

> Enhance Building Security The Capitol Police have developed, and the Police Board has given its approval to proceed with, a plan to set up magnetometers at all entrances to the Capitol Building, the Senate Office Buildings and the garage entrances to the Senate Office Buildings for the purpose of subjecting all persons, except Members of Congress, to metal detector screening before being allowed access to these areas. In

addition, additional x-ray machines will be set up in certain areas to screen packages, briefcases, etc.

Full implementation of this component of the Interim Program will begin as soon as the below listed tasks are accomplished. It is estimated that the plan to enhance building security can be fully operational by the end of the current calendar year.

a. Board approval. The Police Board has met and approved this component of the Interim Program.

b. Personnel. A major portion of the police personnel required to implement this component of the plan will be acquired from existing ranks of police officers who will be replaced by civilian personnel. Civilian personnel will also supplement police officers assigned to provide enhanced building security.

The personnel Division has developed a proposal for the civilianization of certain positions currently filled by police officers, including those positions involving maintaining and monitoring the Closed Circuit Television System (CCTV). Acquisition and training of a sufficient number of civilian personnel to fill these positions, and to supplement police personnel, will provide the manpower required to implement this component of the Interim Program.

Since the Board has approved this component, acquisition of civilian personnel will begin as soon as possible.

c. Equipment. Requirements for the placement of magnetometers and x-ray equipment are currently being assessed. Since the Board has approved the plan, AOC procurement personnel can begin purchase of required equipment as soon as possible.

Pilot Delivery Center The Police have developed a detailed plan to establish a delivery center and steps are currently being taken to implement the plan. Members of the Capitol Police have met with representatives of the Architect to recommend improvements to the proposed site at 1430 South Capitol Street. Architect's personnel are currently preparing blueprints and a cost survey for required renovations. Construction will begin as soon as possible after funds and materials are acquired.

Numerous issues must be studied and resolved before the delivery center becomes operational. Among these are the legal concerns involved. The nature of the Architect's lease agreement with the owner of the building, the question of Capitol Police jurisdiction and the liability issues are just a few of the legal questions that must be answered. in addition, administrative procedures and organizational guidelines must be developed. The Police have formulated a tentative plan of action which addresses these issues and are in the process of resolving many of these concerns.

The additional police personnel required for the delivery center have, in effect, already been hired. The twelve officers and six K-9 handlers required for the delivery center will be chosen from existing ranks and the vacancies created in the ranks will be filled by newly acquired personnel who are currently in training or being processed to be hired.

The civilian personnel required for the delivery center will be hired when other necessary assignments associated with the delivery center plan are accomplished. The Police have developed a job description for these personnel and the Personnel division will determine the rate of compensation. The Police Training Division will require approximately 90 days to formulate a complete training program for these civilians. Since site renovation and some other concerns must be resolved before operations begin, civilian applicants will not be processed until two to three months before operations are scheduled to begin.

Equipment requirements for the delivery center have been assessed and AOC procurement personnel will begin purchasing the equipment as soon as possible. Again since other tasks must be completed before operations can begin, some equipment, depending on the time required for delivery, may not be purchased until three to four months before operations begin.

Thus, a detailed proposal and an action plan to implement the delivery center pilot program have been developed. Since renovation of the facility will take several months, some tasks associated with the plan will be postponed to a later date while others, that are likely to prove time consuming, will begin as soon as possible. It is estimated that the delivery center could be operational by December 1, 1988.

Twelve Additional Canine Teams Steps are currently being taken to acquire six of the twelve additional canines approve by the Congress, since only six handler positions have been funded in the current budget. Selection and acquisition of the dogs takes approximately one month and training of the dog and handler requires five months.

The six handler positions will be filled from existing ranks of Police officers. To this end, a departmental Vacancy announcement for six canine handlers has been published so that the handlers can be ready for training simultaneous with the acquisition of the dogs.

The remaining six dogs will be acquired before the end of the current fiscal year and funds for an additional six handlers for the next fiscal year is included in the Police FY89 budget submission. Approval of the six handler positions will provide the full complement of twelve additional canine teams by the end of the calendar year. If approved, the twelve additional teams, combined with canine teams currently available, will provide the Capitol Police with a total of twenty four canine teams.

These twelve additional canine teams form an integral part of the two aforementioned components of the Interim Program, i.e., enhanced building security and the delivery center.

Question. The House Sergeant at Arms testified last week that there had been a substantial increase in weapons seized by the Capitol Police. Is it possible to determine how many of these were people with evil intent and ones who were carrying a weapon for their own protection?

Answer. To determine the intent of an armed person (be it evil or not) is very difficult. However, in the modern age of terrorism deterrence, it is of the utmost importance. In 1986 approximately 564 weapons/contraband were seized. During 1987 approximately 1270 of the same were seized. Of the 1270 weapons/contraband, 1235 were confiscated as a result of administrative inspections performed a building entrances.

Question. How many of these seizures were guns and knives versus other types of weapons?

Answer. In 1987, 92 weapons (not of a chemical nature) were seized. Of the 92 weapons, 14 were guns, 65 were knives, and 13 were other illegal weapons such as brass knuckles, nun chukas, black jacks, etc.

Question. Has the Police Board adopted plan B?

Answer. It is accurate to say that the Police Board has endorsed plan B and that the Board recommends implementation of the plan in incremental phases. This approach has been chosen since certain components of the plan are contingent on other aspects being successfully implemented. Some components can be implemented by themselves, however, and steps are currently being taken to do so.

Plan B consists of a three phased program which would accomplish the goals of providing a secured vehicular and pedestrian perimeter around the Capitol Building and enhanced office building security. The three phases are as follows:

- I. Interim Program
- II. Vehicular Barrier Program
- III. Pedestrian Access Program
  - a. Tourist and Visitor Centers
  - b. Fence

Phase I, or the Interim Program, is comprised of four major components, which were endorsed by the Board in January, 1987, as being viable programs that could be implemented as soon as possible and which would provide immediate security enhancement. These components are:

1. Magnetometer screening of all employees entering the Capitol and Senate Office Buildings;
2. Delivery Center Pilot Project;
3. Enhanced bomb detection capability through the acquisition of additional canine teams; and
4. Removal of parking from the Capitol Plaza.

Funding for some of these components was provided in the FY88 budget, with some exceptions, and limited additional funding will be requested in FY89. The Board has endorsed these components of the plan and implementation of the first three will be completed during calendar year 1988. The Architect has completed a study of the impact of complete removal of parking from the Plaza. This component is still under study and must be endorsed by the House before implementation can begin.

The Police Board has endorsed Phase II of plan B which consists of the Vehicular Barrier Program. The Board recommends that approximately $2,000,000 be allocated in the FY89 budget for this phase so that implementation can begin in calendar year 1989.

The Board endorses Phase III of the plan, which consists of the Pedestrian Access Program, but has not recommended funding for this phase until parking has been removed from the Plaza and the Vehicular Barrier Program has been implemented. The effectiveness of the Pedestrian Access Program depends largely upon the successful implementation of these two components of plan B.

To summarize, the Police Board endorses plan B and recommends phased or incremental implementation. Funding is available and steps are currently underway to implement Phase I. The release of additional funding required for Phase II is recommended so that implementation can begin in calendar year 1989. The Board endorses Phase III, but since effectiveness is contingent upon the success of certain aspects of the first two phases, the Board recommends that funding be deferred until initial phases can be fully implemented and evaluated.

Question. What is the first step to implement this plan?

Answer. Plan B has been divided into incremental phases so that implementation can be accomplished in a logical progressive manner with the least amount of disruption to the Congressional community and so that initial phases necessary for the success of advanced phases can be accomplished beforehand.

The Police Board has identified those programs which can be implemented as soon as possible and has endorsed the utilization of available funding for those programs. The initial phase, or Interim Program, consisting of enhanced building security, establishment of a delivery center, enhanced bomb detection and removal of parking from the Capitol Plaza, has been funded with minor exceptions and steps are currently being taken by the Police Board to implement this phase.

Question. I am aware of discussions that the House and the Senate Whips have had on security and apparently the House has proposed proceeding with a plan that would include all security measures in the proposed plan B, including sensors, except for the fence. Henry does that make any sense?

Answer. The proposed security measures for pedestrian access, consisting of sensors and a fence around the Plaza, are part of the third and final phase of plan B. The success of this phase depends largely upon the removal of parking from the Plaza and the implementation of the Vehicular Barrier Program. Since the desirability of a fence is still being debated and since complete removal of parking from the Plaza is still being studied, the Police Board has not yet requested funding for this phase of the plan.

The Board does endorse this phase and recommends construction of the Visitors Centers and establishment of a pedestrian perimeter through electronic surveillance, even without the fence, when parking is removed and the Vehicular Barrier Program is operational. It is the position of the Police Board that these are viable programs in themselves and that their implementation would provide security enhancement, even if the fence is not constructed.

Question. Each year the Capitol Police make a request to the House and Senate, through each Sergeant at Arms, for positions and related expenses. Then there is a joint item called "General Expenses". Has the Police Board given any thought to combining these accounts? What are your views?

Answer. The Board has established a task force which is studying the issue to consolidate the Police under one payroll. While the mechanics have not yet been determined, a proposal to accomplish this objective is forthcoming.

Question. The Police are scheduled to move into the Immigration Building in the near future. What is the status of that move and what advantages will it provide?

Answer. As you know, the Capitol Police provide a full range of police services to the Congress. In order to effectively provide and maintain these services, it was necessary to allocate adequate office facilities for their department.

The new Police headquarters building in the Immigration Building, 119 D Street, N.E., will give the Police access to essential facilities and resources that have heretofore been unavailable to them. The new facility will also enable the police to upgrade or expand existing operations. I have been informed that the renovation of the Immigration Building should be completed by the end of this summer.

TELECOMMUNICATIONS

Question. A number of Senators, myself included, received a letter from the Capitol operators registering some complaints about their treatment. I know you are aware of this situation, what can be done, and what have you done in that situation?

Answer. The U. S. Capitol Exchange is composed of House and Senate operators. Responsibility for the Exchange is shared by the Telecommunications Department under the Sergeant at Arms of the Senate and the Office of Telephone Services under the Clerk of the House.

The Sergeant at Arms has submitted a complete report, which addresses the operators' complaints in detail, to the Senate Select Committee on Ethics and the Committee on Rules and Administration. That report includes a study of salaries paid for comparable operator positions in selected area agencies in this area, such as the White House, the FBI, and the Treasury Department. That study showed that salaries for the Capitol Exchange operators are competitive. In addition, the turnover rate for Capitol operators is very low; the average length of service among Senate operators is nine years.

Currently, a review of Capitol Exchange operators' salaries is being conducted jointly by the Sergeant at Arms and the Clerk of the House. This review is focusing on whether the length of service required to attain the top salary level, 26 years, is unreasonably long.

GENERAL

Question. There is also a request of $275,000 for furniture and furnishings, this represents a 37.5% increase over FY 1988, please explain.

Answer. The Sergeant at Arms is billed quarterly in arrears by the General Service Administration for furniture and furnishings provided to Senators' state office in accordance with allowances established by law (2 U.S.C. 59(c)). For FY87, from a budget of $356,000, I have reimbursed GSA over $206,000 for expenditures covering only the first three quarters of the fiscal year. Based on the second and third quarter billings, I anticipate total expenditures of just about $275,000. I have requested this amount for FY89 based upon our most recent experience. It should be noted that for FY88, the Sergeant at Arms' office requested and received funding in the amount of $200,000. This 43% decrease from the previous year was based upon actual expenditures of $195,000 for FY86. Our FY89 request is still 23% less than the FY87 allowance.

HEALTH PROMOTION

Question. You are making a new request of $10,000 for health promotion. How would these funds be used?

Answer. Last year, I initiated a pilot program on health promotion for employees of the Sergeant at Arms. Broadly defined, health promotion is programs and activities that encourage participants to develop long-term, health-oriented lifestyle habits. Employees are provided information, education, and opportunities for behavior change. The goal is to encourage and aid each employee to take greater responsibility for his or her own health. There are a number of potential benefits to be realized by promoting healthier lifestyles, including:

- Improved employee morale;
- Improved employee relations;
- Improved recruitment and retention of employees;
- Reduced absenteeism;

- Reduced turnover;
- Reduced Worker's Compensation claims;
- Reduced number of work hours lost due to late arrivals and sick days.

Sick leave represents about $100,000 annually in the Service Department alone. Currently, more than 200 Service Department and Executive Office employees are participating in the program on a voluntary basis, and plans are underway to expand the pilot to other divisions. Although an analysis of direct benefit is premature at this date, it is hoped that the program will result in increased production, healthier employees, and some reduction of sick leave costs. Commitment to an employee health promotion program is a commitment to a worksite's greatest asset - its employees.

Funds are sought to cover the costs associated with providing comprehensive individual health assessments, informational materials and monthly seminars on a variety of health topics (e.g., back pain, nutrition, heart disease, etc.).

LETTER FROM DOUGLAS B. HESTER, LEGISLATIVE COUNSEL

March 24, 1988

Honorable Dale Bumpers
Chairman
Subcommittee on the Legislative Branch
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Senator Bumpers:

I am happy to provide you with a breakdown of my budget request for FY 1989 for the Office of the Legislative Counsel of the Senate.

For FY 1988, $1,764,000 was appropriated, and $134,000 of unexpended funds from FY was carried over, making a total of $1,898,000. For FY 1989, a budget request for $2,265,495 was submitted, representing an increase of 19.3 percent over the sums made available for FY 1988.

The FY 1989 budget does not contemplate any increase in staff, although our workload has continued to grow; during the first session of the 100th Congress, the Office performed services for all Senate Committees and all Senators, and fulfilled 9,158 drafting requests, of which 3, 954 were for committees. This exceeds by 30 percent the highest number of such drafting jobs ever performed in a previous session of Congress, which was 6,973 and occurred during the 2nd Session of the 99th Congress.

In light of the recent drastic escalation of entry level salaries for recent law graduates of the high qualifications which this Office and the House Office have traditionally hired, it is becoming harder and harder for us to attract and retain attorneys of the calibre required to maintain our high drafting standards. At the beginning of this Fiscal Year, the House Legislative Counsel raised his entry level salary from $35,000 to $40,000 and made comparable adjustments in the salaries of other staff attorneys. Your committee, at my request, appropriated sufficient funds for this Office for FY 1988 so as to allow me, prior to the close of the Fiscal Year, to bring the attorneys in this Office up to par, salarywise, with their counterparts in the House Counsel's Office. Also, sufficient funds were appropriated to permit merit type salary increases, during the Fiscal Year, averaging $2,000 each for the non-attorney staff of the Office.

The FY 1989 budget request contemplates that, as of the beginning of the Fiscal Year, the salaries of our 15 attorneys, whose salaries are fixed administratively, will have been brought up to par with those of attorneys in the House Office (as based on current salary levels in that Office). However, the House counsel indicated to me today that he had requested funds for FY 1989 to boost the beginning attorney salary in his Office up to $45,000 (with comparable raises for other attorneys in his Office), and if that is done, this Office will again be lagging behind by that amount.

Thus the budget request for FY 1989 assumes that—

(1) as of the first day of the Fiscal Year, the Legislative Counsel and the four current Senior Counsel will be receiving their current salaries, aggregating $435,260.00;

(2) as of the first day of the Fiscal Year, the 15 attorneys whose salaries are administratively fixed will be receiving salaries at levels equal to the current salary levels for attorneys with comparable service in the House Legislative Counsel's Office, aggregating $924,520;

(3) as of the first day of the Fiscal Year, the current non-attorney staff consisting of an Office Manager, 7 Secretaries, and one part-time File Clerk will have had merit type salary increases during FY 1988 averaging $2,000 each ($500 in the case of the File Clerk), bringing their aggregate salaries to $239,820;

(4) there will be a 3 percent "cost-of-living" increase effective on January effective on January 1, 1989, for a cost of $35,991;

(5) for the Fiscal Year there would be Agency Contributions with respect to salaries averaging 28 percent, for a cost of $457,965.48;

(6) for the Fiscal Year expenses (for books, secretarial supplies, telephone services, etc), will be $60,000; and

(7) during the course of the Fiscal Year, there will be made merit-type salary increases (a) for the 15 attorneys whose salaries are administratively fixed, averaging $5,000 each, and (b) for the non-legal staff (consisting of the Office Manager and 7 Secretaries and one part-time File Clerk) averaging $2,000 each (except only $500 in the case of the File Clerk); and agency contributions equal to 28 percent of such increases will be made, for an aggregate of $111,939.

Total: $2,265,495.

With best regards, and every good wish.

Sincerely,

Douglas B Hester

Douglas B. Hester
Legislative Counsel

MEMORANDUM FROM MICHAEL DAVIDSON, SENATE LEGAL COUNSEL

1. Mr. Davidson, we note that your budget request for fiscal year 1989 represents a 4% increase over the fiscal year 1988. Please explain?

The appropriation for the Office of Senate Legal Counsel was $633,000 in fiscal year 1988 and our request for $657,300 in fiscal year 1989 represents an increase of approximately four per cent. As indicated in the schedule submitted in response to question two, this increase would provide for an approximately three per cent increase in funds available for salaries and agency contributions and for an approximately five per cent increase in funds available for expenses. The practice of our office over the last several years has been to fund all annual salary adjustments, including cost-of-living increases, out of our annual appropriation and not to request supplemental appropriations. The modest requested increase in funds available for salaries will enable us to maintain that practice. The limited increase in funds available for expenses will enable us to meet increases in office expenses that are due to inflation, while preserving funds for contingencies. One feature of budgeting for the Office of Senate Legal Counsel, which we have sought to maintain since the creation of the office in 1979, is the reservation of sufficient funds to enable us to meet extraordinary litigation expenses in defense of the Senate or its members without requiring additional appropriations during the course of a fiscal year.

2. Please provide a schedule that compares the fiscal year 1988 enacted level with the request for fiscal year 1989 in the areas of staff's increases due to new proposed staff; increase due to inflation and increases due to anticipated workload.

	Fiscal Year 1988		Fiscal Year 1989
Enacted	633,000	Requested	657,300
Salaries	442,478		457,500
Ag. Cont.	106,000		109,800
Expenses	85,000		90,000

All proposed increases are for inflation and annual merit increases in salary.

SUBCOMMITTEE RECESS

Senator REID. Based upon that, we will recess this hearing, and we will also direct the Architect to come back tomorrow afternoon at 2 o'clock.

[Whereupon, at 3:17 p.m. Wednesday. March 16, the subcommittee was recessed to reconvene at 10 a.m. Thursday, March 17.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1989

THURSDAY, MARCH 17, 1988

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m. in room SD–138, Dirksen Senate Office Building, Hon. Harry Reid presiding.

Present: Senator Reid.

OFFICE OF TECHNOLOGY ASSESSMENT

STATEMENT OF JOHN H. GIBBONS, DIRECTOR

ACCOMPANIED BY:

- **LIONEL S. JOHNS, ASSISTANT DIRECTOR FOR ENERGY MATERIALS, AND INTERNATIONAL SECURITY**
- **ROGER HERDMAN, ASSISTANT DIRECTOR FOR HEALTH AND LIFE SCIENCES**
- **JOHN ANDELIN, ASSISTANT DIRECTOR FOR SCIENCE, INFORMATION, AND NATURAL RESOURCES**
- **CATHERINE H. SINGLETON, BUDGET AND FINANCE OFFICER**
- **THOMAS P. McGURN, ADMINISTRATIVE OFFICER**
- **HOLLY L. GWIN, GENERAL COUNSEL**

OPENING REMARKS

Senator REID. The committee will come to order.

This morning the Subcommittee on the Legislative Branch continues its hearings on the budget estimates of congressional support agencies under its jurisdiction.

We are pleased to welcome the Director of the Office of Technology Assessment, Mr. John Gibbons; the Acting Director of the Congressional Budget Office, Mr. James Blum; and the Public Printer, Mr. Ralph Kennickell.

PREPARED STATEMENTS

Mr. Gibbons, The committee has your prepared remarks which will be made part of the record along with statements of Senator Stevens of Alaska and Senator Kennedy of Massachusetts in support of your budget request.

[The prepared statements of Senators Stevens and Kennedy follow:]

STATEMENT OF SENATOR STEVENS, VICE CHAIRMAN, CONGRESSIONAL BOARD, OFFICE OF TECHNOLOGY ASSESSMENT

Mr. Chairman, thank you for the opportunity to testify in support of OTA's appropriations request. The request for FY 1989 -- $18,321,000 -- represents a current services budget plus $550,000 in contracting dollars -- approximately one-half of the amount cut from OTA in the FY 1988 appropriations bill. Full approval of this request is essential if OTA is to continue serving as a shared analytical resource for Committees in both houses of Congress. The agency provides expert information on the scientific and technological issues that pervade legislation considered today at minimal cost. I believe, Mr. Chairman, that an investment of $18,321,000 in OTA for FY 1989 would be money well spent.

For much of the first session of the 100th Congress, both the House and the Senate wrestled with the budget. There are many competing demands for limited government resources, and debates often include scientific and technical issues on which the Office of Technology Assessment is uniquely qualified to assist the Congress. For example:

> Legislation enacted during the past several years has called for studies of military service-related disabilities that may have been caused by exposure to agent orange, exposure to nuclear radiation, or service, generally, in Vietnam. In the haste to assure the well-being of veterans, the agencies in charge of these studies neglected to prepare the scientifically valid study protocols so essential to accurate and reliable results on which adequate compensation can be based. At the request of Congress, particularly the Veterans' Committees, OTA stepped in to evaluate these protocols and provide insight and advice that helped to avoid scientifically invalid work, thereby saving the government millions of dollars and time.
>
> OTA advised Congress early and well on the best places to spend money to halt the spread of AIDS. OTA's assessment of Blood Policy and Technology and technical memorandum, Review of the Public Health Service's Response to AIDS, provided Congress with information crucial to timely action on this growing problem. OTA has followed up with staff papers on the costs of AIDS and other HIV infections, insect transmission of AIDS, and the cost effectiveness of educational programs to prevent AIDS that fill a critical information gap for Congress on an issue that will undoubtedly cost this Nation billions of dollars.

In the past year, the agency initiated studies of advanced space transportation technologies, commercial opportunities for high-temperature superconducting materials, maintaining the defense technology base, and long-term care services for persons with dementia, among others.

_ I am gratified by OTA's continuing efforts to improve its ability to fulfill its designated role for Congress, and I am impressed by the output of this small agency and the extent to which Congress relies on OTA's products. FY 1987 was marked by many developments in science and technology on which OTA was prepared to assist the Congress, and I anticipate equally outstanding performance in 1988. I urge you to look favorably upon OTA's budget request of $18,321,000 for FY 1989, and fund the Agency at a level that will permit it to sustain its level of achievement.

STATEMENT OF SENATOR KENNEDY, SENATE MEMBER, CONGRESSIONAL BOARD, OFFICE OF TECHNOLOGY ASSESSMENT

Thank you, Mr. Chairman, for the opportunity to express my support of the Office of Technology Assessment's FY 1989 appropriation request.

OTA has requested a budget of $18,321,000 for the coming fiscal year. This figure represents a current services budget plus a restoration of approximately one-half of the contracting dollars the agency lost in fiscal year 1988. Mr. Chairman, with its contracting dollars OTA is able to provide a unique service in the legislative branch -- that of enhancing the expertise of its relatively small inhouse staff with outside research, panelists, and workshop participants who provide different perspectives on the critical issues that OTA studies. OTA then digests the input of these various parties, reports to Congress on where consensus exists and why people disagree where they do, and prepares policy options that represent choices that might reasonably be made given differing philosophical perspectives. It is essential that OTA's budget be increased by $550,000 over current services estimates in FY 1989 if the agency is to continue providing this important work to Congress.

In Fiscal Year 1987 OTA published several reports on health issues of great benefit to the Congress. The OTA report on Alzheimer's disease, Losing a Million Minds: Confronting the Tragedy of Alzheimer's Disease and Other Dementias, is an extremely valuable new resource for exploring the issue and presenting Congress with the facts on which effective future action can be based. Alzheimer's disease afflicts an estimated two to four million people. Other disorders that cause dementia affect an additional one to two million. These numbers are expected to double by year 2000, and quintuple by 2040, mostly because of the rapidly growing number of older people in our population. The impact of Alzheimer's disease is devastating not only to those with the disease but also the families trying to provide care. In addition to the medical services which are necessary to treat this illness, social services are required both for the patient and to aid families in caring for their members. According to OTA, the federal government has two main ways to respond to the problem of dementia: to fund research in hopes of diminishing the magnitude of the future problem and to facilitate care for those who have dementia. With the OTA report in hand, Congress can now begin to focus federal policy regarding the problem of dementia among the following areas: support for basic and clinical research, support for health services research, financing of long-term care, education and training of those providing care, aid for patient assessment and coordination of existing services, broadened scope and range of services available to patients and families, and assurance of quality care.

OTA has recently published two reports on biotechnology that represent major advances in our understanding of the concerns this technology raises and in assessing the options for Congressional action. Biotechnology is advancing at high speed, both in basic research and in its many applications. If there is a danger, it is that the accelerating discoveries will outstrip the public support that is essential for progress to be maintained. OTA's report, Public Perceptions of Biotechnology, is reassuring in its finding that the vast majority of Americans continue to hold high hopes for this new frontier of science. Since the people also realize that new developments bring new risks, it is of utmost importance that public concerns be heard and heeded as new technologies develop. OTA's role is invaluable to the country and to all of us in Congress concerned with the public policy issues that will inevitably arise in the wake of the exciting, contemporary advances of biotechnology. For instance, scientists believe that diagnosis, treatment and the prevention of disease will all improve as a result of these new research tools. Since many of these techniques require the use of human tissues and cells, the commercialization of their products raises complex legal and ethical issues. OTA gave careful and thorough attention to sensitive issues such as ownership and sale of human tissues and cells and disclosure and informed consent in Ownership of Human Tissues and Cells. As I stated in my testimony before you last year, this is an issue that will inevitably require Congressional attention.

Last November OTA issued a very important staff paper on Breast Cancer Screening for Medicare Beneficiaries: Effectiveness, Costs to Medicare and Medical Resources Required. Each year 41,000 women in our nation die of breast cancer. Early detection of breast cancer can reduce morbidity and mortality for hundreds of women, and we have known for some time now that clinical examinations and regular mammograms can reduce the incidence of breast cancer deaths. The OTA report confirms the importance of early detection in saving lives. From a Medicare cost perspective, OTA found that reimbursement for breast cancer screening, though providing health benefits, would not result in a net cost saving, even assuming conservative reimbursement rates and relatively low levels of screening among women. In other words, although there would be savings in initial and terminal treatment costs, the costs of screening large numbers of women would be high. However, the increase to Medicare expenditures would not be extreme. The net cost to Medicare in the year 2000 would be, according to OTA, $1.5. billion, representing a little less than one-half of one percent of projected Medicare expenditures in that year. If all women 65 and over were screened annually beginning in 1987, a 22 percent (5,200 deaths) reduction would occur in breast cancer deaths in the year 2000.

One of OTA's forthcoming assessments, Educational Technology: An Assessment of Practice and Potential, is investigating the uses and effects of computer-based technologies in elementary and secondary schools. Last August OTA staff testified before the Subcommittee on Education, Arts, and Humanities, of the Senate Committee on Labor and Human Resources, which I chair, on the findings of a staff paper, "Trends and Status of Computers in Schools: Use in Chapter 1 Programs and Use with Limited English Proficient Students." OTA found that: few schools have sufficient resources (hardware, software, and trained teachers) to take full advantage of the benefits computers can bring to the learning process; in addition to the benefits of self-paced drill and practice, computer-based technologies in the class room may also bring improvements in student motivation and expanded opportunities for those with special needs; and while introducing computers is relatively easy, developing the proper infrastructure to realize their full potential is far more difficult to accomplish. It is clear from these findings that the application of computer-based technology in the schools is an innovation in transition. Changes are occurring as a result of learning from current experience in a variety of class room and experimental settings, and from continuing technological development that offers new uses. This transition creates uncertainty, but also affords opportunity for planning the next steps to take. OTA's findings can help define strategies for better use of computers in education -- which is the basis for legislation being considered by my committee.

In the preceding descriptions, I've touched on work from only 3 of OTA's programs. Ongoing work in the 6 other programs is also of major importance to the Congress. For example:

The Energy and Materials Program is studying oil production technologies and the Arctic National Wildlife Refuge (ANWR). Congress has been asked to decide the future development status of the coastal plain of ANWR, and OTA will assist with this examination of the evolution of technology for Arctic onshore and offshore oil exploration, development, production, and transportation of the past 15 years and a projection of how the state of the art might evolve over the next several decades.

The Industry, Technology, and Employment Program is analyzing the critical early phases of the Superfund program to address such questions as: Do current actions assure that all potential Superfund sites will be discovered and, once discovered, promptly assessed and acted upon? Are technologies available for more effective immediate actions that can reduce community concerns and improve the economic efficiency of the whole program?

The International Security and Commerce Program will soon release a study of seismic verification of nuclear test limitation treaties, which should prove invaluable for Congress' evaluation of Administration arms control proposals.

The Food and Renewable Resources Program is trying to answer Congress' fundamental questions about the African Development Foundation: is the Foundation having an impact? What can be done to improve this innovative approach to self-help development assistance?

The Communication and Information Technologies Program is examining the use of information technology by the federal government. Technologies such as electronic document filing, computer-aided surveys, computerized databases, optical disks, electronic mail, electronic remote printing, and electronic bulletin boards are already affecting and could ultimately revolutionize the public information functions of government.

The Oceans and Environment Program has undertaken an assessment focusing on air pollution concerns that are among the most contentious issues facing Congress in its attempt to reauthorize the Clean Air Act.

I've cited only a small segment of OTA's impressive body of work. I would like to reemphasize the importance of contracting ability in producing this amazing variety of indepth analyses in such a small agency. OTA's links to the outside -- both to the experts and to the stakeholders -- ensure that the analysis is accurate and up to date, and that the policy options are well-considered approaches to problems that are viewed from many perspectives. I urge you to fully approve OTA's fiscal year 1989 request of $18,321,000 so that this agency can continue to carry out its critical work for Congress.

Senator REID. Your full statement will be made a part of the record and we will proceed to ask you some questions which the committee feels are pertinent.

Mr. GIBBONS. Thank you, Mr. Chairman. I appreciate being placed early on the program this morning. Since I've had a new joint put in my toe, I have a new appreciation for the Revolutionary War motto of "Don't tread on me."

SUMMARY OF STATEMENT

Mr. Chairman, Michael Blumenthal, who was Secretary of the Treasury, has an article in the latest issue of Foreign Affairs entitled, "The World Economy and Technological Change." In addressing the enormous uncertainty and change that has been going on at home and abroad he says, and I quote:

> One circumstance has overshadowed all else and has set the current period apart, and that is unprecedented, deep, and continual technological change. In the 1970's and 1980's, extraordinarily rapid technological change has thrust upon us new and as yet unresolved problems of governance in the national and international spheres.

TECHNOLOGY ASSESSMENT HELPS PREVENT MISSTEPS

It seems to me that what Mr. Blumenthal is speaking about is the very reason for OTA's creation and the rationale for OTA's service to Congress. That is, without solid and accurate information and analysis about what is happening in science and technology, Congress and the Nation could make some important missteps in the critical time ahead of us.

Looking back on 1987, everyone now knows the words, "high temperature superconductors." That was a brand new term just 12 or 14 months ago and OTA immediately began familiarizing Congress with both the term and the concept. Last year brought on the INF Treaty and a whole new imperative for thinking about conventional defense in Europe, and OTA delivered some important work during that time.

We are addressing very current issues. Our objective is to take on committee-requested studies with sufficient lead time to deliver a thoughtful, carefully prepared document to meet the timely needs of the Congress.

My testimony summarizes, on pages 4 to 12, some examples of how our work in the past year was used directly by some Federal agencies and others, and also how it was used directly by Congress in a number of instances. If I had more time this morning I would love to go through and recite some of those for you, Mr. Chairman, but given the shortness of time, I will simply leave them with you.

MONTREAL ACCORD IN OZONE

The last of those 15 examples has to do with the Montreal Accord on High Altitude Ozone. I noted yesterday in the Washington Post an account of a recent and very disturbing discovery, that not only do we have the ozone hole in Antarctica, but that significant ozone depletion at high altitudes now is being seen in the Temperate Zones, such as over the United States.

This places a new-found emphasis on gaining understanding not only what is going on, but also gaining understanding of what our options are, what we might be able to do about these things that we are observing. The study OTA is undertaking on global climate is specifically addressed to those issues. It will follow our delivery in 1988 of a parallel study which has to do with the bad ozone; that is, the low-altitude ozone in the urban and regional areas.

We have underway a number of studies for the 100th Congress which I think are right on target. One looks at advanced space transportation, the whole of military and civilian needs. Another study pretty much resolves a long-term, raging controversy about the effectiveness of seismic monitoring and verification of nuclear testing. We also will be delivering a comprehensive report on the question of mapping and sequencing the human genome. In short, Mr. Chairman, in this year we will be delivering a number of documents directly applicable to some of the most critical issues that the Congress faces.

POTENTIAL WORK FOR FISCAL YEAR 1989

In attachment 1 to my testimony I describe the sorts of things that we anticipate being called on to do in 1989. Mr. Chairman, our work is done, as you know, in response to committee requests. We now serve 80 to 90 subcommittees and committees of Congress in a direct way. That is about two-thirds of all the committees of Congress.

This fact reflects two things. One is the increasingly pervasive influence of science and technology on congressional issues, much as observed by Mr. Blumenthal. The second thing it reflects is that OTA now is a trusted an shared resource of Congress, as my Vice Chairman, Senator Stevens, frequently reminds us. Our job is not to tell the Congress what they ought to do, not at all. Rather our job is to narrow the technical debate, sort out options, and try to give Congress a sense of what some rational alternatives are.

We carry out the work, as you know, with a mixture of permanent staff—143 people—plus contracts for advisors, for panels, for workshops, and for some temporary employees. Our turnover is low for our permanent staff—about 11 percent per year. That gives us institutional memory and productivity. The turnover of our temporaries is about 70 percent per year, and that gives us a flow through of different kinds of experts which complement the people we have in-house and on the staff.

PROPOSED FISCAL YEAR 1989 BUDGET

Finally, Mr. Chairman, I would like to speak directly about the budget before you; it is summarized on pages 3 and 4 of my testimony. Our budget has been essentially level in current dollars for the last couple of years, despite the obviously increasing cost of doing business.

INCREASED RENTAL COSTS

We have had to endure a unique situation; that is, a mammoth increase in the rent for our building, which is unique with the congressional agencies. That increase was caused by the expiration of an extremely favorable 10-year lease in January 1988.

Our rent costs have shifted from about $700,000 a year to about $1.6 million a year. The rent is still below the market, but it shows us how favorable things were before our lease ran out. Since this adjustment was not reflected in our appropriation base, we have had to eat that along with a higher cost of living by cutting back on services and our contracts. That means we have to be less responsive to requests; it means we have to stretch out things and take longer delays in undertaking work.

BUDGET REQUIRED TO FULFILL ALL REQUESTS

Now, if I were to request what OTA needs just to do the projects we already know we are going to be requested, we would need about $21.5 million and about another 10 people. I discussed this with my Board last fall, and they agreed that I should request a smaller number; that is, $19.6 million with no additional staff. That reflects the Board's and my knowledge of the tightness of the Federal budget and our concern about the imperative for everyone to help out in tightening our belts.

With the Board's concurrence, I further reduced my request to $18.3 million and no additional staff, which is truly a bare-bones budget for OTA. It will take every bit of that budget before you for us to maintain our standards of quality and our responsiveness.

I am not a horse trader, Mr. Chairman. I am submitting a budget with zero fat. In one sentence, our request represents a level effort from fiscal year 1988 adjusted upward by half a million dollars to recapture only about one-half of the contract funds that we had to drop between 1987 and 1988 in order to pay our rent. Our total requested increase for 1989 over 1988 is $1.42 million.

NEED TO RESTORE CONTRACTING DOLLARS

In closing, Mr. Chairman, contract dollars play a critical role in OTA's process. These contract funds give us access not only to additional experts that complement our own expertise, but also to stakeholders and other interested parties through our advisory panels and our workshops.

I urge the committee to restore our contracting ability to a level that approaches the level of 1987 so that we might continue to play this important role for Congress. Our budget request, Mr. Chairman, takes us about half way back to that point.

Thank you, Mr. Chairman. I would be happy to respond to any questions.

CURRENT BUDGET LEVELS DON'T MEET OTA'S NEEDS

Senator REID. Mr. Gibbons, in your statement you note that a substantial amount of the requested work will not get done at the current budget levels that you have. What do you mean by "a substantial amount of work will not be done"?

Mr. GIBBONS. We keep a list of our discussion topics with committees, Mr. Chairman. When I also look at the inquiries that we get in formal ways, for instance, in letters from the chairmen or ranking minorities of the committees, telephone calls on behalf of the committee from a senior staff person or the likes, and then look at the number of times we find ourselves able to make a substantive response to those inquiries. It turns out that we handle many of these requests by referring people to other places.

Your congressional agencies refer people to each other all the time these days. Sometimes we refer requests to existing literature and say that we are sorry, but that is about all we can help with. Other times, we are able to do a little bit of work to satisfy the most critical needs, but not do anything like the kind of work we are asked to do.

Senator REID. Mr. Gibbons, you have not answered the question. What do you mean, you cannot do substantial amounts of work?

BACKLOG OF ASSESSMENT REQUESTS

Mr. GIBBONS. Well, if I take the requests that come in and then say, how many of these result in assessment proposals that I take to my board, I would say the number is roughly 1 in 4.

Senator REID. You are able to do 1 in 4?

Mr. GIBBONS. That I am able to do.

Senator REID. Well, in my personal opinion, that certainly is not reflective of you, but the whole priority system we have in Government. We have an agency that is only able to do part of what really should be done.

I am not sure who sets the priorities as to what gets done and what does not get done. Are you the one that sets those priorities?

Mr. GIBBONS. We try to adjudicate that with the help of our Board and by talking to different committees of jurisdiction on those issues. Quite honestly, Mr. Chairman, since we have a fixed amount of money, the Board and I simply try to adjudicate as best we can the collective interests of both House and Senate, of the Republicans and the Democrats. It is a winnowing process. If there are more funds available, obviously, we are able to respond to more of these requests.

Senator REID. How often does this Board meet?

Mr. GIBBONS. Typically about four to five times a year; most recently about a month ago.

Senator REID. Your 1989 budget document states that you plan to undertake a small portion of your current backlog or requests. Do you know in number—you have talked about your doing 1 in 4—do you know, in number, how many reports are currently backlogged?

Mr. GIBBONS. Well, by backlog—we currently have underway work on about 30 activities. When I last went to my Board, some of the requests I took to them, which they approved, had been deferred for up to 2 years simply because we were not able to undertake them, even though they were important.

I would be happy to supply for the record the number of present inquiries that we have not even been able to take to the Board at this point and the associated time lags.

Senator REID. Would you do that?

Mr. GIBBONS. Yes, sir; I would be happy to do that.

[The information follows:]

OTA is currently discussing approximately 60 potential assessments with congressional committees. Of these proposals, 37 have been delayed for between 2 and 18 months due to lack of staff and dollars. The remaining 23 proposals are under consideration as extensions to ongoing or past assessments or are in the preliminary discussion phase. Our projection is that the backlog will continue to increase in fiscal year 1989 due to lack of resources.

STAFFING REQUIREMENTS FOR AN INCREASED WORKLOAD

Senator REID. For you to be able to do half of the requests that you get rather than 25 percent, how many more staff would it take? What is your estimate?

Mr. GIBBONS. It is a nonlinear relationship. That is, it will not take double the amount of money to do double the number assessments because we have a certain base of fixed costs. I would prefer to supply that estimate for the record because I would like to calculate it for you.

Senator REID. Please do.

[The information follows:]

It is difficult to estimate the precise number of additional staff that would be required to do half of the requests OTA receives because of the mix of projects with different requirements and the assignment of key staff to ongoing projects; however, the range would be between 25 and 40 people. From a practical point of view we could not gear up that fast in 1 year. However, we could significantly reduce the most critical part of our backlog with a fiscal year 1989 budget of $21,500,000, including an additional 15 staff.

LOW-LEVEL RADIOACTIVE WASTE DISPOSAL

Senator REID. Mr. Gibbons, the quarterly report to the Board for April through June of 1987 notes that you are doing a staff paper for a committee that I serve on—Environment and Public Works—on low-level radioactive waste disposal, and that this report is due in June 1988.

Are you familiar with this?

Mr. GIBBONS. I am slightly familiar with it; yes, sir.

Senator REID. Do you know if that June date is going to be met?

Mr. GIBBONS. I believe the new date of June 1989 will be met.

Senator REID. What are the objectives of the report?

Mr. GIBBONS. The work is related to whether or not there are things that the Federal Government might do to help assure that the regional compacts and the individual States' plans can actually be met and follow the Federal regulations.

NONTRADITIONAL CANCER TREATMENTS

Senator REID. Also, you issued an interim study on a larger study that Senators Mikulski and Grassley have requested on cancer treatment issues; that is, nontraditional methods of treating cancer. How is this analysis coming and when will it be completed?

Mr. GIBBONS. The analysis is proceeding on schedule. I will have to ask my colleagues to remind me of our completion date. The study is complex, as you know, because it is an attempt to try to described how one might test the effectiveness of some of these nontraditional methods that do not necessarily lend themselves to the traditional ways of testing for efficacy.

If I might ask Dr. Herdman to respond to your question directly.

Senator REID. Please state your name for the record.

Mr. HERDMAN. My name is Roger Herdman and I am Assistant Director for Health and Life Sciences at OTA.

That study, as you I am sure know, Senator, is broken into two parts. One was an interim case study which was to prepare a protocol for evaluating immuno augmentative therapy, Dr. Larry Burton's process which he carries on in the Bahamas.

We have had a long series of negotiations with Dr. Burton and we are making progress. But the long and short of it is, Senator, that that particular aspect I think will be delayed, and I think we will be fortunate to have that wrapped up by sometime this summer.

The entire report is scheduled to be out—I hope to see the entire report by the fall, but I think that will be a little bit slower too in coming.

SEISMIC VERIFICATION TECHNOLOGIES

Senator REID. I am interested in some work that is being done for Senator Boren's committee, the Intelligence Committee, on seismic verification of test ban treaties concerning the methods to be able to distinguish between earthquakes and small nuclear explosions.

Is there any unclassified information that you can tell the committee at this time about any new technologies that have potential for improving the verification?

Mr. GIBBONS. Senator, we are in the final stages of declassification of the document. We will, hopefully, be delivering that document here within the next couple of months. But let me describe roughly what is going on.

Progress in the science of looking at the vibrations in the Earth has been able for the last several years to detect at what they call higher frequency vibrations. By going to higher frequency waves they have been able to get the signal to noise ratio considerably higher and are, therefore, able to distinguish with extraordinary accuracy various kinds of movements of the Earth. And by using arrays of these detectors rather than a single detector, the capability gets even better.

Our report looks at these new technologies and concludes quantitatively what you can do, not only to detect, but also to measure location and size of underground explosions and differentiate chemical from nuclear from earthquakes. We investigated what you can do from outside the Soviet Union and also what you could do if you have detectors inside the Soviet Union.

We hope that that information will be available to you within about 60 days. If you would like a classified account of it, we would be happy to arrange for that.

Senator REID. Thank you very much. I appreciate your testimony here today and wish you luck on your toe.

Mr. GIBBONS. Thank you, Mr. Chairman.

[The statement and questions and answers follow:]

STATEMENT OF JOHN H. GIBBONS

Overview

"High-tech" headlines -- pointing to both the "goods and bads" of technology -- heralded FY 1988. Early in 1987, OTA brought Congress some of the earliest information on the discoveries in higher temperature superconductors of electricity, and later provided guidance on the implications and limitations of those discoveries. In October 1987 America's First Lady, Nancy Reagan, underwent mammography and early surgery for breast cancer that may have saved her life. At the same time, OTA was completing a staff paper and testifying before congressional committees who will make decisions about the effectiveness of mammography and its availability to Medicare recipients. Another October event, the crash of the stock market, aroused concern about the role of program (computer-controlled) trading in creating an unstable market. Because of its expertise in communication and information technologies, OTA is responding to many inquiries from Members and staff about the role computers played in "Black Monday." OTA was completing key studies in seismic verification and SDI survivability at the very time Mr. Reagan and Mr. Gorbachev were signing an agreement on reduction of intermediate nuclear forces (INF) that will require Senate ratification. INF could lead to further agreements requiring verification. The goods and bads, the pros and cons, of technology are issues that Congress must constantly face, and OTA is their principal analytical resource for resolving conflicting claims and devising sensible policy options.

A critical part of OTA's legislative mandate is also to help Congress understand the potential impacts of new and emerging technologies as well as to help its Members with problems and opportunities that might arise from technologies currently in use. OTA not only assists congressional oversight of Superfund implementation, to clean up hazardous waste dumps, but also provides information about potential for waste reduction -- going to the source to reduce production of pollution. In other words, we help Congress wrestle with correction of pre-existing problems, but at the same time we help Congress understand what can be done to reduce or avoid such problems in the future. As we provide immediate information on questions of energy supply and demand (such as the impacts of policy changes on our large and growing trade deficit, deeply affected by importing petroleum), OTA concurrently addresses a longer-term issue that is related to energy use -- global climate change. As other nations become more competitive with the United States, OTA is analyzing advanced materials, manufacturing productivity, biotechnology, and other technologies that may be the keys to future economic success in this country.

This unique balance of timeliness and foresight emerges from a very sophisticated project management system that has evolved over 15 years. OTA begins with a thorough review of each committee request and an attempt to reconcile and merge varying committee needs. Committee information needs and interests are tracked throughout a project's life -- including post-publication participation in committee briefings and hearings. OTA couples inhouse expertise with outside assistance -- advisory panels composed of experts and primary stakeholders, research contracts with the private sector, extensive peer review of documents -- to acquire the most up-to-date, indepth information available on the issues being studied and to produce objective analyses of major public policy issues related to science and technology. When an analysis is complete and ready for publication, OTA assures that information is readily available to committees and Members in several levels of detail suited to individual needs.

Impact of Tightened Budgets

OTA has streamlined its methodology to the extent possible without sacrificing important analytical safeguards that assure credibility for our reports. Each analyst now uses a computer; publishing is highly automated; each contract is negotiated to achieve the best price for the government. Over the past five years, OTA has achieved impressive gains in productivity (quantity and quality of products) but further gains will require significant investment. OTA also faces unavoidable costs -- particularly our 10-year building lease (currently $1.4 million [up from $720,000 in FY '87] annually) -- that are unique in the legislative branch and detract seriously from funds available for research.

Budgets have become tighter and fixed costs have continued to rise, and OTA, in FY 1988, finds itself in the position of having to cut into assessment project dollars. The area hardest hit is contracting. In FY 1987, OTA spent $4.3 million on contracts. In FY 1988, only $3.4 million is available for contracts. OTA's inhouse staff -- already stretched quite thin -- will be able to pick up very little of the load. Substantial requested work just will not get done. Worse yet, our constrained ability to draw in expertise from outside OTA to complement our relatively small staff (about 3% of GAO) limits our professional expertise and flexibility.

OTA's FY 1988 budget falls far short of the amount required to give timely responses to committee requests for work that have already been or soon will be received. Each research division at OTA will receive $3.9 million for projects in FY 1988. However, to comply with extant and expected committee requests, not to mention the unanticipated requests that likely will come our way, the Energy, Materials, and International Security Division would require an additional $830,000; the Health and Life Sciences Division would require an additional $1,170,000; the Science, Information, and Natural Resources Division would require $1,120,000: in total, $3.12 million (approximately 18.5% above current resources). If OTA is to meet its congressional responsibilities, it is imperative to begin to correct these shortfalls in FY 1989.

Fiscal Year 1989 Request

For Fiscal Year 1989, OTA is requesting $18,321,000. That number represents a current services budget plus $550,000 in additional contracting dollars. This budget will permit us to recoup approximately one-half of the FY '88 shortfall of funds compared to FY '87. This increase amounts to less than $185,000 for each of OTA's three research Divisions, but nevertheless would significantly improve our ability to respond to requests, since most of the incremental funds would be targeted for contracting.

OTA is acutely aware of the need for deficit reduction. We understand the extraordinary need to be austere, even in agencies like OTA that are needed in order to know how to cut programs with minimum damage, and who operate as a shared analytical agency for all of Congress. We are also aware that the resources provided to OTA are part of Congress' safeguard that the longer term prospects for U.S. society are not neglected amid the difficult near term legislative budget issues. OTA's analyses address the science and technology policy issues before the Congress that form the basis for this nation's future security, productivity, and well-being. That is why we look to the Appropriations Committee for support of a restoration of a portion of OTA's lost contracting ability in the face of major spending and saving decisions on the part of Congress.

Effectiveness of OTA

Some of OTA's work has led directly to improvements in government services via actions taken by Executive Branch agencies in response to our studies. Partly as a result of OTA's technical review, the EPA Record of Decision calls for destruction of all dioxin contaminated wastes at Love Canal, and the elimination of the major portion of the proposed containment facility. OTA's special report, Trade in Services, influenced OMB approval of the Department of Commerce's BE-20 survey (to provide baseline information on service transactions between unaffiliated American and foreign firms) in revised form -- one of OTA's high-priority policy options. The Health Care Financing Administration used the research recommendations developed in the OTA report, Losing a Million Minds, to design the dementia research program required by P.L. 99-509. Since publication of OTA's study, Integrated Renewable Resource Management for U.S. Insular Areas, the Interior Department has been using the study for its planning and initiatives in U.S. island resource matters, with the goal of making these dependent entities more self-sufficient. The National Academy of Sciences is using OTA's report, Technologies to Maintain Biological Diversity, as the foundation for their own efforts in studying how to manage global genetic resources. Some of the technical questions raised in OTA's report, Intellectual Property Rights in an Information Age, are now being investigated by the National Bureau of Standards. After publication of OTA's technical memorandum, Newsgathering from Space, which pointed out ambituities, gaps, and contradictions in existing U.S. policy, the White House issued a revised policy with reasoning that closely followed the discussion of national security in the OTA study.

Of course, it is gratifying when the Executive Branch responds directly to OTA reports. But our analyses are meant to assure that Congress hears a full range of views on complex technological issues. Listed below are several examples of direct legislative use of OTA's work:

1. Two OTA reports, Serious Reduction of Hazardous Waste and From Pollution to Prevention: A Progress Report on Waste Reduction, assembled the evidence and did the analysis that definitively showed that waste reduction was eminently practical and could lead to large benefits quickly. We pointed out why waste reduction wasn't happening by itself, and identified a number of ways that the federal government could help, without writing and enforcing yet more regulations. OTA's reports contributed to six waste reduction bills that were introduced in FY 1987. Many of the provisions of these bills ... from adopting a non-regulatory approach, to creating a technical assistance program to advise industry, to setting up a grants program for the States, to reorganizing EPA ... were options in our report that were strongly supported by our technical findings. OTA's work also contributed to committee decisions to increase funding for waste reduction within EPA for FY 1988.

2. OTA's three reports, Technology and Structural Unemployment, Plant Closings: Advance Notice and Rapid Response, and Trade Adjustment Assistance, have helped the Congress and the Administration understand how these programs can work better. OTA's work was the first to show, unequivocally, that: 1) effective advance notice necessarily includes rapid response; and 2) most state efforts to implement the Job Training and Partnership Act fail to provide rapid response to workers affected by plant closings or mass layoffs. The Senate version of the Omnibus Trade Bill reflects OTA's findings on the need for simpler, faster, more certain certification of worker eligibility for trade assistance programs and the importance of combining funding sources (e.g., the Job Training and Partnership Act, Trade Adjustment Assistance, State funds, private funds). OTA's special report on Trade Adjustment Assistance: New Ideas for an Old Program also found that funds were being withheld from the TAA program to assist firms, which led to initiation of a GAO investigation and subsequent release of the funds.

3. Publication of OTA's report, Starpower: The U.S. and the International Quest for Fusion Energy, was followed by the first of a series of hearings convened jointly by the Subcommittees on Energy Research and Development and on International Cooperation of the House Science, Space and Technology Committee to examine the future of the Department of Energy's Fusion Research and Development Program (funded at levels between $300-450 million annually during the past 15 years) as well as the plans for international cooperation in fusion research with Japan, Europe, and the Soviet Union. The OTA report was the basis of the Subcommittees' first joint hearing.

4. Both the House and Senate Committees on Appropriations and on Armed Services used the classified version of OTA's report, SDI Technology: Survivability and Software, to prepare for conference on the FY 1988 Defense Budget. (The unclassified version remains unavailable due to DOD failure to complete a timely classification review).

5. Several Senators, led by Senator Chiles, Chairman Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, Senate Committee on Appropriations, relied extensively on the findings of OTA's report, Losing a Million

Minds: Confronting the Tragedy of Alzheimer's Disease and Other Dementias, in their requests for funding provisions for Alzheimer's disease in P.L. 99-660, the Omnibus Health Act. The report has been widely cited as justification for legislation concerning Alzheimer's disease and other dementias at both state and federal levels. Because of expertise developed during this assessment, P.L. 99-660 stipulated that the Director of OTA appoint a citizens advisory panel on Alzheimer's disease to advise the Secretary of DHHS, a newly created interagency Council on Alzheimer's Disease, and the Congress. OTA staff for Losing a Million Minds worked jointly with the Congressional Clearinghouse on the Future to conduct a congressional staff briefing on the subject of federal policies related to dementia. OTA has advised those working on appropriations for dementia research, and is represented on several nongovernmental panels relevant to federal policy, including a grants program on day care for the Robert Wood Johnson Foundation and several health facilities throughout the nation.

6. As a result of our ongoing work on Mapping Our Genes, OTA has played a clearinghouse role among federal agencies, scientific interest groups, congressional committees, and the media in connection with special initiatives by both the Department of Energy and the National Institutes of Health. The availability of OTA's expert, diverse, and nonpartisan staff knowledgeable about research efforts, both in the United States and abroad, has in several instances prevented misunderstandings from influencing legislation.

7. The OTA report, Continuing the Commitment: Agricultural Development in the Sahel, was used extensively during the bipartisan, bicameral discussions on reauthorization of the Foreign Assistance Act of 1961. Findings and options contained in the OTA report were incorporated in numerous legislative proposals and OTA identified additional experts to draw into the process.

8. At the suggestion of the House Committee on Appropriations and with the support of the Technology Assessment Board, OTA established an AIDS-Related Activities project in June 1987, in order to anticipate and advise Congress on AIDS issues without necessarily waiting for Committee requests to conduct specific studies. On October 19, 1987, based partly on information provided to OTA by the Subcommittee

on Regulation and Business Opportunities, House Committee on Small Business, OTA assessed the accuracy of AIDS antibody testing, which pointed out the need to monitor laboratories performing AIDS antibody testing and the problem of the high ratio of false to true positives if populations with very small percentages of AIDS-positive persons were to be tested. Introduction of legislation to monitor laboratories engaged in AIDS antibody testing is expected, and the OTA analysis will also be used in the continuing legislative debates on whether mandatory testing of selected populations is warranted or not.

9. OTA was highly commended by Senator Heinz, Ranking Member of the Senate Special Committee on Aging, for work done to assist development of catastrophic health legislation. The Medicare catastrophic loss prevention bill reported out of the Senate included several features outlined in an OTA staff paper on pharmaceutical use by elderly Americans and approaches to coverage under Medicare. These included: 1) covering home antibiotics and chemotherapy in the first year (included under criteria that might be cost-saving to Medicare); 2) phasing-in of the drug benefit; 3) covering cardiovascular drugs and diuretics the second year (included under criteria that reflect percent drug utilization in the elderly population and medically essential drugs); 4) incorporation of the participating pharmacist concept (suggested as a policy feature likely to improve overall drug therapy); and 5) developing drug information for prescribing physicians by therapeutic categories (suggested in our drug utilization data section). In February 1988, OTA contributed information on prescription drug aggregate cost by therapeutic category for the elderly to staffers involved in conferencing the House and Senate versions of the catastrophic legislation.

10. Both the House and the Senate have passed bills to severely limit the use of polygraph testing by private employers. OTA's 1983 report, Scientific Validity of Polygraph Testing, was used extensively in developing congressional support for the legislation and by Members and staff in assessing the merits of the arguments of the polygraph lobby. The Defense Authorization Act of 1987 required the kinds of reporting on the Defense polygraph program suggested in OTA's 1987 follow-up memorandum.

11. The Conference Report on the FY 1988 budget quotes extensive passages from OTA's special report, Hospital Information Systems at the Veterans' Administration. OTA found that, because VA lacked suitable alternatives, switching to a commercial system at this time would increase costs and delay implementation of needed services in the hospitals. After reviewing OTA's findings, conferees agreed to fund deployment of the "Core plus 8" modules of the Decentralized Hospital Computer Program (DHCP) and released 1987 and 1988 funds totalling $45.117 million. The Conference Report made future funding contingent upon: 1) VA demonstration that the order entry/results reporting function -- identified as a weakness by OTA -- works well; and 2) initiation of a suitable process for strategic planning and evaluation of technological alternatives that "incorporates OTA's long-term planning recommendations."

12. OTA's assessment of the Border War on Drugs brought a new, comprehensive, and analytic understanding to the public debate on how best to fight the war on drugs. OTA raised serious questions about trends in drug trafficking, the use of effective technology, the correlation between interdiction efforts and trafficking trends, and the problem of fragmented programs among the responsible agencies. In testimony before several committees, OTA established a more accurate and scientific basis for judging success or failure in the border war on drugs.

13. OTA's study, Marine Minerals: Exploring Our New Ocean Frontier, changed the debate from speculation based on unsupportable claims of potential wealth in the seabed, to a realistic assessment of the technology and economic factors needed for ocean minerals to compete with traditional onshore mineral resources. By evaluating, and often rejecting, the claims of special interests promoting the development of ocean minerals, OTA laid a foundation for considering broader public policies for managing seabed resources. For instance, the absence of accurate information about the volume and quantity of seabed minerals prevents any serious evaluation of the economic value of ocean minerals, yet "guestimations" of economic potential seemed to be driving a move toward mineral leasing in U.S. coastal waters. OTA emphasized this lack of reliable resource data, and since them more attention has been given to acquiring sufficient information to gauge the value of these public resources in advance of future leasing. In light of OTA's assessment, the potential role of the ocean in supplying the Nation with strategic and critical minerals is also being reconsidered.

14. The OTA assessment of Waste in Marine Environments showed that popular concerns about ocean pollution were misplaced. Rather than focusing pollution abatement efforts on open ocean dumping, this report identified that degradation of estuaries must be a first priority. Even if existing legislation is fully implemented, health of estuaries will continue to deteriorate without additional measures. OTA's study helped spur development of more estuarine-specific programs at both federal and regional levels. As well, in the session of Congress following release of our report, legislative efforts to coordinate the myriad agencies involved in estuarine protection began.

15. OTA's Analysis of the Montreal Protocol is the only quantification of the range of emissions reductions achievable under the proposed Ozone treaty. It brought real numbers to the debate and dispelled the popular myth that implementation of the Protocol will result in a 50% reduction in world-wide production and consumption of chlorofluorocarbons and halons. This report has been used by the Senate, EPA, the State Department, and the Council of Economic Advisors in discussions about: 1) world versus unilateral action; 2) key areas of uncertainty in wording of the Protocol; and 3) the potential for developing countries to significantly increase use of chlorofluorocarbons and halons over the next 10 years.

(See pages 30-34; 47-52; and 65-68 of OTA's FY 1989 Justification of Estimates for additional examples.)

The most controversial and complex issues facing Congress are often the subjects of OTA's work. OTA is currently engaged in over two dozen assessments, including studies of:

1. Advanced Space Transportation Technologies -- Recent executive branch reports have identified ambitious civilian and military space goals, many of which could only be met by achieving significant advances in space transportation technology. Whether or not this nation chooses to pursue these specific goals, Congress needs credible information regarding the relationship between space goals and space launch technology and the feasibility of achieving critical technical cost milestones.

   Although some technology research will be "generic," the launch needs of NASA, Air Force, SDI, and the U.S. private sector are certainly not identical. If this nation chooses to invest in advanced launcher technology, it will be important to ensure that launch vehicle requirements are met without unnecessarily dissipating scarce national resources on duplicative or unproductive research.

In light of these concerns, OTA's assessment is: 1) identifying launch systems capable of serving the plausible range of both civil and military demand for space transportation over the next 20 years; 2) identifying and evaluating key technologies -- including low-cost, low-technology systems -- that might increase the performance and reduce the cost of space transportation while contributing to U.S. industrial competitiveness; 3) evaluating the time and cost of development of these technologies; 4) determining how changes in spacecraft design and operations will influence launch technology; 5) analyzing techniques and incentives that could reduce the operations and maintenance costs of new technologies; 6) examining alternative roles for the private sector; 7) assessing the state of advanced launch research in other countries; and 8) discussing the adequacy of existing institutions for carrying out an aggressive R&D program to meet the needs of diverse users.

2. Diagnostic Medical Tests: Impact on Public and Private Policies Toward Health Care -- Tests to identify individuals who are likely to develop serious diseases are being rapidly developed. Some of these tests are directed at genetic diseases for which there are no known therapies, thereby raising questions over the personal and social consequences of identifying susceptible persons. Use (e.g. by insurance companies, employers) of the test for detecting antibodies to the AIDS virus is already a highly controversial issue. The use of diagnostic tests by health insurance companies, self-insured businesses, and health maintenance organizations may lead to substantial costs to government if private insurance becomes very costly or unavailable. While the Federal government plays an important role in financing health care, the regulation of health insurance is largely a State function. This assessment is: 1) identifying the tests in use and under development; 2) identifying how such tests are used in setting insurance rates for employees and their dependents or in excluding such individuals from coverage; 3) estimating the number of people who could be affected; 4) estimating the health care costs for treating or caring for affected individuals; and 5) developing policy options vis a vis the Federal role in relationship to State and private sector actions and responsibilities.

3. New Clean Air Act Issues -- This OTA assessment is focusing on air pollution concerns that are among the most contentious issues facing Congress in its attempt to reauthorize the Clean Air Act. The first is urban ozone. Currently the health-based air quality standard for ozone is being exceeded in about 70 urban regions, areas in which about one-third of the U.S. population lives. EPA estimates that about half of the areas will still not be in attainment by the deadline required by the Act. The assessment is also addressing the closely related problem of regional oxidants (primarily ozone), pollutants that can lower the productivity of agricultural and forested regions and contribute to violations of health-based ambient air quality standards in urban areas, often far from the sources from which the pollutants are formed. While evaluating the cost-effectiveness of controlling various sources of hydrocarbon emissions for lower ozone levels, the assessment is identifying which of these hydrocarbons might also be toxic air pollutants. Finally, this assessment is updating our ability to analyze new options for controlling acid rain, the major focus of an earlier assessment.

(See pages 103-137 of OTA's FY 1989 Justification of Estimates for additional examples.)

Plans for Fiscal Year 1989

To paraphrase Charles Dickens, "it is the best of times, it is the worst of times," at OTA. A surfeit of requests for work reminds us that Congress now relies heavily on OTA and appreciates our efforts. Yet this happy situation forces us into the unhappy position of being forced to refuse or limit requests for help more and more frequently. Budget constraints in FY 1988 have forced each Program at OTA to cut back on the scope of existing work, the number of projects undertaken, and followup activities on completed work. Yet requests for new work keep coming in, the backlog rises, and we try to provide the maximum amount of assistance at the least level of cost possible.

Attachment 1 to this testimony is a list, prepared using a wide variety of information sources, of the types of projects we may be asked to undertake. (Brief descriptions of these projects appear on pages 34-39; 53-57; and 69-72 of OTA's Justification of Estimates for FY 1989.) OTA's agenda is determined by the expressed needs of congressional committees and the judgment of the Congressional Board (TAB), so we cannot reasonably predict the new assessments that will be undertaken in a given year, but the list is illustrative. Even if OTA's

FY 1989 budget request is fully approved, however, we will be able to undertake only a fraction of this work.

Summary

OTA epitomizes the ability in a democratic society for political leaders to foster broad and meaningful participation of stakeholders and experts in issue analysis. OTA's process helps focus the issues to be resolved and identify areas of consensus and potential resolution. This activity forms a critical complement to the direct and necessarily polarized positions the same stakeholders must assume when taking their separate cases directly to the political leaders. In many of our studies we have observed that actions taken and positions modified over the course of the analysis -- by stakeholders and relevant federal agencies -- have led to near-term resolution of the issues.

Contracting dollars play a critical role in OTA's process. These funds give us access not only to additional experts -- through our research contracting -- but to stakeholders and other interested parties -- through our advisory panel and workshop activities. I urge this committee to restore OTA's contracting ability to a level approaching that of FY 1987 so that we may continue to play this important role for Congress.

ATTACHMENT 1

Candidate Areas for New Assessments in Fiscal Years 1988 and 1989

The 47 topics given in this list have been identified by Congressional Committees, OTA, and its advisors as typical technical issues that the Congress will face over the next several years. Of course, the list does not necessarily contain the assessments OTA will actually undertake in Fiscal Years '88 and '89 Note: 1) This list is not given in order of priority; and 2) the actual number of issues we can undertake as full assessments is no more than 1 in 4 or 5 of those listed.

Energy and Materials

- Infrastructure: Water and Wastewater Systems
- Technological Choices for Aging Nuclear Power Plants: Life Extensions and Decommissioning
- Energy Research and Development: Clean Coal and Alcohol Fuels
- Optical and Electronic Materials
- Future Directions in the Use of Metals

Industry, Technology, and Employment

- Impacts of Military Spending on Commercial Technologies
- Employer-Provided Training
- Strategic Alliances: Technology and Corporate Global Strategy
- Technological Change and Job Opportunities for Less Skilled Workers
- Technology and Trade in Third World Development

International Security and Commerce

- Arms Control in the 1990's: Technological Opportunities and Impediments
- Technology and Counter Terrorism
- Radio-Frequency Weapons and Countermeasures
- Automation of Tactical Military C^3I
- High Technology Export Controls Revisited
- Humans to Mars

Biological Applications

- Quality Assurance for Long Term Care of Elderly Citizens
- Biotechnology in a Global Economy
- Fetal Tissue: Uses, Acquisition, and Exchange
- Technologies for Drug Delivery
- Biology of Spaceflight

Food and Renewable Resources

- The Future of U.S. Small Farms: A Technological Perspective
- Opportunities for Managing Fallow and Retired Agricultural Land
- Agricultural Approaches to Counter Illegal Drug-Crop Production: U.S. and International Methods
- Agricultural Opportunities for Increasing Value-Added Exports
- Agroecology and Emerging Farming Systems

Health

- Adolescent Development and Health
- Rural Health Care
- Research and Development for New Drugs
- Designing a Comprehensive International Health Policy
- Alternative Strategies for Occupational Safety and Health
- Malpractice and Medical Technology

Communication and Information Technologies

- Smart Card
- 1st Amendment, the Press, and Electronic Speech
- Information Technology and Research (Scholarship)
- International Information Policy
- Science and the Courts

Oceans and Environment

- High-Level Radioactive Waste Site Characterization
- Shoreline and Coastal Land Use Management
- Nonpoint Source Pollution
- Technologies for Treating Potable Water
- The National Marine Science and Technology Program

Science, Education, and Transportation

- Technologies to Improve Transportation Linkages
- State Highway Needs for Hazardous Federal Shipments
- Distance Learning: Using Technology to Deliver Education
- Today's Learners: Challenges and Opportunities for Education and Technology
- Doing Science: Who, What, Where, How

QUESTIONS SUBMITTED BY THE SUBCOMMITTEE

BUDGET

Question: Does the reduction in contracting affect either the timeliness or quality of your reports?

Response: Both. When contracting dollars are decreased, OTA inhouse expertise must be stretched unreasonably thin to accommodate all the requests that come our way, thus the breadth of both our assessments and special responses is diminished, affecting the quality of our reports. Contracting dollars also permit OTA to supplement its staff of inhouse experts and proceed at a greater pace, ensuring timeliness.

Question: You have also noted that OTA's fixed costs have increased sharply in the last two years as a result of a new 10 year lease on your space and the FERS system. What is the increase in you budget aside from these two items?

Response: Aside from the impact of FERS and the renegotiation of OTA's 10 year lease, the increase requested for OTA's budget is broken down into the following areas:

$372K	Mandatory pay and related costs associated with merit increases and promotions
$275K	Price level changes due to inflation
$550K	Recovery of contracting dollars necessary to reduce the backlog of requests and shorten the delay for delivery of existing studies

ASSESSMENT TOPICS

Question: Tell us about some of the work you are doing in the area of Alzheimer's disease and dementia, what are the policy options?

Response: On April 7, 1987, OTA's 539 page report, Losing a Million Minds: Confronting the Tragedy of Alzheimer's Disease and Other Dementias, was released at a press conference held by Senators Kennedy, Grassley, Metzenbaum, and Pressler and Representatives Dingell and Bilirakis. Each of them, along with Senators Melcher and Mikulski, had provided favorable comments on the report for the press.

Among many findings, the report notes that unless a prevention or cure is found, the number of victims of age-related dementia will increase rapidly along with the increase in those Americans who live beyond 65. In fact, by the year 2000, the number of victims of severe dementia is expected to increase by 60%. Over 7 million Americans will be so afflicted by 2040, five times the number with severe dementia today. Because there is no means to prevent, effectively treat, or cure Alzheimer's disease and most other dementias, government strategies are limited to two areas: 1) support for research, and 2) delivery of services that complement the efforts of families and other informal care givers. The report discusses Federal policy options in the areas of:

o basic and clinical research
o health services research
o patient assessment
o education and training of families and formal service providers
o quality assurance
o public and private financing for long term care

A major Federal policy issue not addressed in the above study is the subject of OTA's current assessment, Methods of Locating and Arranging Health and Long Term Care Services for Persons With Dementia. This is a 16 month study requested by several committees in the House and Senate. The study is comparing existing information and referral services and case management systems in terms of their capacity to help families and others locate appropriate services for these patients. It will delineate Federal policy options for facilitating access to existing services.

OTA staff have played a role in policy formulation by other organizations. OTA is represented on the Technical Advisory Panel for Alzheimer's Medicare Demonstration being mounted by the Health Care Financing Administration. OTA staff also serve on the Health Services Task Force of the Alzheimer's Disease and Related Disorders Association, the National Advisory Committee of the Robert Wood Johnson Foundation Dementia Care and Respite Services Program, and several regional dementia care centers. OTA appointed the national Alzheimer's Disease Advisory Panel, established by P.L. 99-660, that recently began operation in the Department of Health and Human Services.

Question: We have the Library of Congress coming up this afternoon, and you have been doing some work on alternative book preservation methods. In particular looking at their DEZ program. What can you tell us about the safety and effectiveness of that program.

Response: The OTA analysis of the Library's DEZ program has concluded that, despite earlier safety problems associated with the first DEZ pilot plant at NASA, current work with the Texas Alkyls pilot plant has shown careful attention to safety and good chemical process engineering standards. OTA finds these initial efforts adequate but notes that some level of risk will always be present and the full-scale plant will need equal or greater emphasis on engineering and operational safety because of additional design problems, a new site, new plant management, new operators, and a new community setting. In addition, the pilot plant tests, now started, need to be completed and documented in order to demonstrate all aspects of operational safety.

OTA has also concluded that the Library has developed a unique and effective mass deacidification process that has a high potential for success in meeting the Library's stated goals. The program, however, is still in the developmental stage with some difficult and complex tasks ahead. Here again, completion of the current pilot plant tests and further engineering development of the full-scale plant are needed to determine accurate costs and specific benefits of the treatment process.

OVERALL INCREASE

Question: I have just one question, Mr. Chairman. As a member of the OTA Advisory Board, Mr. Gibbons, I am well aware of the contributions of the Office of Technology Assessment. In other circumstances, I would be prepared to recommend acceptance of your relatively small budget increase for fiscal year 1989. But as you well know, Congress is constrained by the budget summit agreement reached last fall, and we are limited to roughly 2% growth in FY 89 over FY 88. I believe the legislative branch must set the example in abiding by that agreement, and not impose it only on the executive branch agencies. So I am prepared to recommend to Chairman Bumpers and the other members of the subcommittee that your increase for FY 89 over FY 88 be limited to mandatory items. Those amount to $372,000 in your budget justifications, or a 2.2% increase over the FY 88 appropriation. Limiting you to mandatory items would require absorption of price increase and no additional funding for increased workload. Can you comment on the impact of an FY 89 appropriation limited to your FY 88 appropriation plus mandatories for FY 89?

Response: The Technology Assessment Board and OTA's management have developed a very tight budget for FY 89. At $18.3 million, it is still well below the amount needed to be fully responsive to the technical requests from the Committees, reflecting the imperative to squeeze every dollar until it really hurts. If OTA were to receive only a 2% increase, the Agency would be sorely and inequitably impacted due to the unavoidable increase in its building lease (the first in ten years) that began in FY 88 but was not corrected in the base at that time. Because this problem is unique to OTA among the Congressional agencies, in addition to whatever general adjustment can be made, OTA requires a $767,000 adjustment in its base to cover the increased rent. If OTA's base is corrected to reflect the increased rent costs, it will still have $425,000 fewer contracting dollars compared with FY 87.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF JAMES L. BLUM, ACTING DIRECTOR

OPENING REMARKS

Senator REID. Our next witness is the Acting Director of the Congressional Budget Office, Mr. James Blum.

Mr. Blum, it is a pleasure to welcome you here today. We have your statement and we would ask that you summarize the statement. We will make the full statement part of the record. If you have anyone that is with you, you are welcome to introduce them and proceed to summarize your testimony.

Mr. BLUM. Thank you, Mr. Chairman. I will be glad to do that. I would like to make just a few opening comments if I may about our request. But first I would like to just observe that the Congressional Budget Office [CBO] has now been operating for about a year without an appointed director.

STATUS OF APPOINTMENT OF A DIRECTOR

As you are aware, Dr. Penner left CBO to return to the private sector last March. His deputy, Edward Gramlich, served as the Acting Director until December when he had to return to the University of Michigan. He appointed me the Acting Director at that time. I have been with the Congressional Budget Office since 1975 serving in the capacity as the Assistant Director for the Budget Analysis Division.

I want to assure you, Mr. Chairman, and the committee, that the absence of an appointed director has not in any way affected the quantity or the quality of work of the Congressional Budget Office. We have had, I think, a very productive year since last March. We have made a number of significant contributions to the work of the Congress, to the amendments of the Gramm-Rudman-Hollings law last September, and to the budget summit discussions in November.

All of our work has proceeded on schedule. During the last month, for example, we have released our annual reports to the budget committees. These provide the economic forecast and baseline budget projections, options for reducing the deficit and, more recently, last week for the Senate Appropriations Committee, our analysis of the President's budget. I think this speaks well of the Budget Office and the ability of our staff.

COST SAVINGS

The CBO budget is made up largely of personnel costs and computer service costs. These two items alone constitute over 90 percent of our annual expenses. During the last 10 years as I have looked back over our budget, personnel costs as a percentage of total costs have risen from about 60 percent to 70 percent. Computer costs, on the other hand, have fallen from about 30 percent to 20 percent.

We are very proud of our record in being able to manage the cost of using computer services of one kind or another, which are a very integral and essential part of the type of service that we provide the various committees of the Congress.

We are not asking, Mr. Chairman, for any staff increases for fiscal year 1989. Our appropriation request is about the same as the CBO baseline projection for 1989; that is, the 1988 appropriation with an adjustment for inflation and increased pay costs. The request does assume, I might point out, a complete staffing of CBO at the authorized level of 226.

We expect that 1989, next calendar year, will be a very busy year for the Congressional Budget Office as a new administration and a new Congress wrestle with what we expect to be a very large budget deficit problem. Under CBO's economic and budget projections, we expect that the fiscal year 1990 baseline deficit could be as high as $160 billion, or $60 billion above the Gramm-Rudman-Hollings target for that year of $100 billion.

Mr. Chairman, we have provided the committee with a lot of supporting details for our request and, as you noted, a complete statement of that will be put into the record. In the meanwhile, I would be happy to answer any questions that you have at this time.

Senator Reid. What is President Gore going to do with that big deficit? [Laughter.]

Mr. Blum. I have no idea. I think it is going to be a very difficult problem for whomever is the lucky or unfortunate person who wins the office.

Senator Reid. The conference report on last year's legislative branch bill calls for discussions with the Appropriations Committee to explain the current scorekeeping conventions before any changes to those conventions.

What is the status of that directive?

SCOREKEEPING STATUS REPORT

Mr. Blum. A number of things are going on, Mr. Chairman. First of all, we are making an effort to prepare a written manual of scorekeeping rules and procedures. Mr. Robert Keith of the Congressional Research Service, who is a very noted expert in the budget process, has been loaned to us by the Congressional Research Service to help us prepare this document. As that document is being written, we are having extensive discussions with the Appropriation and Budget Committee staffs, and that will be followed through with their review of this document as it is prepared.

Second, we have identified as part of our review of the President's budget for 1989, as well as constructing our baseline projections for that year, a number of scorekeeping issues that will need to be resolved as part of operating under the next budget resolution and under the appropriation caps that were put into place as a result of the budget summit agreement in November.

We have circulated these issues to the Budget and Appropriation Committee staffs, and we hope these can be resolved. I might add, Mr. Chairman, that under the Budget Act, the Congressional Budget Office does have the responsibility for developing various kinds of budget estimates for use by the Congress, by the Appropriations Committees, the Budget Committees, and in point of fact, for all the committees of the Congress that act on legislation that would have an impact on the Federal budget.

In terms of scorekeeping, the scoring of appropriation bills and other bills against a budget resolution is done in a manner so that it is consistent with whatever assumptions went into that budget resolution, whatever economic assumptions underlie it, whatever technical assumptions underlie it, and so forth.

In the end, it is the Budget Committees that have the ultimate responsibility of advising the parliamentarians of both Houses as to whether legislation is consistent with the budget resolution that has been adopted by the Congress. So in many instances, we have to look to the Budget Committees for guidance as to how a budget resolution should be interpreted.

I would say the same thing extends to this budget summit agreement. We would look to the parties of that agreement for similar guidance on how that agreement should be interpreted.

Senator REID. In general, what is the difference in the way CBO and OMB make economic forecasts?

CBO-OMB ECONOMIC FORECASTS

Mr. BLUM. My observation is that both the Congressional Budget Office and the administration go about making economic forecasts in a very similar manner. I am speaking in terms of the methodology of coming up with the economic forecast.

Economic forecasting is anything but a precise science. It involves a great deal of judgment about interpreting the data that has come to light as to how the economy has been performing and in making judgments as to what is likely to evolve over the next 12 to 24 months.

Since the forecasts do depend to a large extent on making judgments, it is entirely understandable that different people, different economists, and different organizations will make different judgments. I would observe that the type of forecast that typically comes from the Congressional Budget Office tends to be very similar to the consensus of private forecasts.

In other words, we provide the Congress with a forecast that can be said to represent pretty much the judgment of the majority of forecasters of the economy. We also have a distinguished panel of economic advisors whom we call on twice a year when we prepare a forecast for guidance in that respect.

The administration forecast—and this does not depend on which party is in power at the White House—on average tends to have a somewhat more optimistic forecast underlying the policies that are being proposed by them in their annual budget. As a result, when one looks back over time, on average, the CBO forecast tends to be somewhat less optimistic, representing a majority's point of view.

Senator REID. Using hindsight, which of the two has been more accurate the past 7 years?

Mr. BLUM. That is a very difficult question to answer, and it is one that has been put to me frequently.

Senator REID. Are you a lawyer?

Mr. BLUM. Pardon me?

Senator REID. Are you a lawyer?

Mr. BLUM. Am I a lawyer? No; I am an economist.

Senator REID. You are answering the questions like one. I mean, I wonder if you could just tell me, over 7 years which has been more accurate? There are 7 years. There cannot be a tie.

Mr. BLUM. I think the judgments that have been rendered by others who have looked at this question, by the General Accounting Office, for example, and other studies, is that by and large both the CBO and the administration have roughly the same accuracy in terms of some of the various forecasts. We all tend to be——

Senator REID. I do not understand. If they have both been different how could they both be the same? I mean, if two figures are different?

Mr. BLUM. Well, I think what happens is that the——

Senator REID. Are they both off then? Is that what you are saying?

FORECASTING UNCERTAINTIES

Mr. BLUM. Yes; we are all off. And this goes to the problem of making economic forecasts and the uncertainty and the impreciseness of making these forecasts. Errors can be observed in the CBO forecasts as well as in those by the administration and by private forecasters.We all tend to err in the same direction at any one time.

Economists are notoriously bad at being able to predict turning points in the economic cycle. Therefore, when a turn comes in the economy, we all tend to be wrong and we all tend to be wrong in the same direction.

We have been better than the administration in some variables; they have been better than us, I think, on average in other variables.

Senator REID. So it does not matter which guideline we follow, they are both wrong?

Mr. BLUM. That is one conclusion you could draw.

Senator REID. What conclusion would you make based upon historical perspective?

Mr. BLUM. I think that in the end it is a judgment call. A lot of judgment goes into making an economic forecast and the Congress has to make its own judgment as to which forecast to follow.

Senator REID. We will have some more questions to submit to you writing. We would appreciate your responding to them at your earliest convenience.

Thank you.

Mr. BLUM. We will be happy to do so. Thank you, Mr. Chairman.

[The statement and questions and answers follow:]

STATEMENT OF JAMES L. BLUM

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 1989 budget request for the Congressional Budget Office (CBO). As you know, CBO is a nonpartisan analytic organization that furnishes the Congress with information and analyses on issues relating to the U. S. economy, the federal budget, and federal programs. The CBO does not make policy recommendations, but presents the Congress with options and their possible budgetary and economic consequences.

As Acting Director of the Congressional Budget Office, I am committed to keeping our budget request to the minimum necessary to perform adequately the tasks assigned to us by the Congress. We are all aware of the restrained fiscal times in which we find ourselves. In recent years, the CBO has been able to achieve significant economies in its operation by keeping careful track of costs and by productivity gains from automation. This year, as in the past, our budget request maintains the same level of fiscal responsibility. Indeed, CBO's request for 1989 is virtually identical with its baseline projection: It reflects no real growth, but only adjustments for mandatory pay items and inflation.

BUDGET REQUEST

For fiscal year 1989, we are requesting $18,900,000, an increase of 5.7 percent (or $1,014,000) over our estimated fiscal year 1988 operating level of $17,886,000. The vast majority of this increase, however, is to cover mandated personnel expenses and not attributable to new discretionary spending.

Nearly 82 percent of the total increase, $829,000, is to fund CBO fully at its authorized staff level of 226. This represents an increase in personnel costs of 6.7 percent from fiscal year 1988, fueled primarily by CBO's need to fill important staff vacancies. These vacancies have helped CBO absorb this year's pay increase and escalating retirement costs with a minimum of disruption. However, congressional demand for CBO work has not diminished, and it is becoming critical that CBO fill these vacancies if it is to continue serving the Congress at its current level of professionalism.

I would like to note, Mr. Chairman, that CBO is not requesting any additional staff positions.

The remaining $185,000--an increase of just 1 percent over fiscal year 1988 levels--is primarily to cover cost increases for a variety of items and for the purchase, leasing, and maintenance of our automated data systems.

As in the past, Mr. Chairman, we have taken a most prudent funding approach in our fiscal year 1989 budget request. As a support agency, we are indeed aware of the difficult fiscal task facing the Congress and we intend this request to be supportive of its needs as the Congress faces that task. Before discussing our request in detail, I would like to review for the Committee the principal services that CBO provided the Congress this past fiscal year.

THE BALANCED BUDGET REAFFIRMATION ACT

Last September, Congress passed the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), to shore up provisions in the 1985 Balanced Budget Act that were found unconstitutional by the Supreme Court. As with its predecessor, the Balanced Budget Reaffirmation Act is intended to balance the budget, now by 1993. The act reinstitutes the automatic across-the-board spending cuts in most federal programs when the Congress fails to meet annual deficit targets through legislative action.

The Balanced Budget Act of 1985 assigned numerous new tasks to the CBO. The Reaffirmation Act continues that work for CBO and expands it. First and foremost among our responsibilities under these laws is the Sequestration Report. This report, formerly jointly prepared with the Office of Management and Budget (OMB) of the Executive Branch, as required by law:

- Estimates budget base levels, including the amount by which the projected deficit exceeds the maximum deficit amount for the fiscal year;
- Provides CBO economic assumptions, including rate of real economic growth; and
- Calculates the amounts and percentages by which various budgetary resources must be sequestered in order to eliminate any deficit excess.

CBO's Sequestration Report is due to Congress on August 20 and is revised to account for subsequent legislative action on October 10.

To conform to constitutional requirements of separation of powers, CBO's report is largely informational and is primarily a legislative check on the Executive Branch. Actual sequestration of appropriated funds, if needed, is triggered by OMB's report of October 15, which is virtually identical to CBO's report, but uses the economic assumptions of OMB's July 15 Mid-Session Review.

In fiscal year 1989, CBO will prepare two Sequestration Reports, as compared with three in fiscal year 1988. Preparing the Sequestration Report remains a major undertaking. CBO analysts review over one thousand budget accounts and apply cuts in hundreds of them to complete it. In addition, the report must be prepared for publication in the Federal Register, all within a five-day deadline.

Despite the imposing time constraints involved with this process, CBO staff have regularly performed their duties with distinction, and I would like to underscore how appreciative I am of the work of the CBO staff in this and all of our other endeavors.

In addition to the Sequestration Report, the Balanced Budget Act gives the Director of CBO responsibility for alerting the Congress to a recession or downturn in the economy that might warrant the suspension of the deficit targets. The CBO did not see the need to make such a report in 1987, and our current economic forecast does not envision a recession.

The Balanced Budget Act also requires CBO to provide the Congress with a report on unauthorized appropriations and expiring authorizations. For the most part, this is information the CBO has been collecting and providing on request to the House and Senate Budget Committees. We currently file this report with the Congress by January 15. A copy of our latest report is included in Appendix B.

Finally, the Balanced Budget Reaffirmation Act directs CBO, in consultation with the General Accounting Office, to study and report to the Congress on federal credit programs as soon as practical. This report is to address and make recommendations on the following areas: (1) more accurately measuring the costs of federal credit programs; (2) comparing the cost of federal credit programs with other forms of assistance; and, (3) improving the allocation of resources between credit programs and other programs. The report is also to consider how to include information on the cost of federal credit programs in the budget process.

CURRENT CBO SERVICES TO THE CONGRESS

The Congressional Budget Act of 1974, as amended, mandates that CBO prepare certain reports on a regular basis and that it undertake other studies in response to Congressional requests. Specifically, CBO carries out the following tasks: maintains current tabulations of

Congressional revenue and spending actions (scorekeeping); prepares five-year cost estimates for bills reported by authorizing committees; prepares outlay estimates for bills providing new budget authority; supplies tax expenditure and revenue information; annually reports projections of new budget authority, outlays, and revenues for the coming five fiscal years; estimates the cost to state and local governments of carrying out or complying with federal legislation; prepares periodic forecasts of economic trends and alternative fiscal policies; and analyzes issues that affect the federal budget.

Scorekeeping

CBO provides the Congress with up-to-date tabulations of Congressional actions on revenue and spending bills. These tabulations are used, particularly by the Budget and Appropriations Committees, to measure the status of Congressional budget actions relative to the targets or limits specified in the concurrent resolutions on the budget.

The bulk of CBO scorekeeping activities involves spending actions. The spending side of the federal budget is complex, consisting of more than 1,000 separate accounts. Furthermore, the Congress acts each year on a large number of individual legislative bills that affect spending, including 13 appropriation bills. CBO's scorekeeping system keeps track of Congressional action on all these bills from the time they are reported from committee to the time when they are enacted into law. As a result, the CBO scorekeeping data base for budget authority and outlays is very complex and keeping it current represents a major effort.

CBO scorekeeping estimates are derived from its analysis of the President's budget, baseline budget projections, and bill cost estimates, as well as from the economic assumptions used for the concurrent budget resolution. CBO reviews its scorekeeping estimates on a comprehensive basis at least twice a year to incorporate new information provided by the Office of Management and Budget (OMB) and other federal agencies, revised economic assumptions that may be adopted by the Budget Committees, and other relevant data.

Specially designed computer scorekeeping reports are provided weekly, and sometimes daily, to the Budget and Appropriations Committees. Frequent letters are also sent to the Chairmen of the two Budget Committees to advise them on current budgetary levels. Advisory letters have also been sent on request to the Chairman of the House Appropriations Committee on the budgetary impact of individual appropriation actions, such as a supplemental appropriation bill or a continuing resolution. The CBO automated scorekeeping data base is also used to provide special computer reports to the

Appropriations Committees for use in preparing their February 25th reports, and in dividing budget resolution allocations among subcommittees.

The CBO also prepares a weekly automated report on the legislative status of selected entitlement and other bills that would directly affect budgetary requirements. Similar reports provide information on the legislative status of bills affecting credit activities, bills providing required authorizations for requested appropriations, and proposed revisions of the Budget Act. Copies of these reports are provided to the staffs of the Appropriations and Budget Committees of both Houses. These automated reports originate from a request by the House Appropriations Committee.

In response to a request from the Senate Appropriations Committee, CBO is preparing a manual on scorekeeping rules and procedures. Robert Keith, a noted budget process analyst of the Congressional Research Service, is assisting us in this effort. The manual will explain in detail the scorekeeping procedures that are used under the Congressional Budget Act and the Balanced Budget Act. In preparing this manual, we will hold thorough discussions with the Committees on Appropriations on the procedures affecting appropriation bills.

Baseline Budget Projections

Each year, CBO prepares a new set of baseline budget projections. The projections take as their starting point the budgetary decisions made by the Congress through its most recently completed session and show what would happen to the budget if no new policy decisions were made during the next five fiscal years. These projections do not represent a forecast of future budgets, because the Congress undoubtedly will make numerous new policy decisions in response to changing national needs and economic circumstances. They do provide, however, a useful baseline or benchmark against which proposed changes in taxes or spending policies may be measured and assessed. A longer-term framework is helpful in making annual budget choices. These annual budgetary decisions sometimes have little impact on the budget in the short run, although they can significantly influence relative budget priorities over a period of several years. Because the annual budget resolution now includes a credit budget component, the CBO also prepares baseline budget projections for federal credit activities.

CBO's budget projections capability has enabled the Congress to move more and more in the direction of multiyear budgeting. For example, for several years both Budget Committees have used the CBO baseline budget projections as a starting point for formulating their recommendations for the annual budget resolution. The CBO baseline spending projections are distributed to the Appropriations Committees and the authorizing committees as background information for preparing their "views and estimates" reports to the Budget Committees, now required by February 25th. The Budget Committees then use the CBO baseline projections in their budget resolution markup materials to assess how spending and revenues should be altered in the future to meet fiscal policy goals and national needs. Both Budget Committees include three-year targets in their recommended budget resolutions.

The CBO budget projections took on added importance in 1981, when they served as the baseline for computing the spending reductions to be achieved in the budget reconciliation process. They have served this purpose for every reconciliation bill since. Moreover, CBO has made similar use of baseline budget projections in its bill cost estimates for calculating the costs or savings that would result from legislative proposals to change existing law. This is particularly important for calculating the budgetary effects of changes in various entitlement programs.

The growing use of budget projections requires CBO to maintain a large multiyear data base on a year-round basis. CBO now provides both Budget Committees with numerous sets of five-year projections of revenues and spending throughout the year, usually in the form of computer tabulations. In addition, CBO publishes annually a five-year budget projections report at the beginning of each session of the Congress and updates it each August.

The concept of a budget baseline was incorporated in the Balanced Budget and Emergency Deficit Control Act of 1985 for determining the need for and magnitude of across-the-board spending reductions to meet specific deficit targets. Last year, when the act was amended to correct the constitutional defect, the baseline concept was also modified to approximate more closely the methodology used by CBO in our baseline projections. The major change was to include an inflation and pay adjustment factor in projecting discretionary appropriations.

This year, the CBO baseline is identical to the budget base as specified in the Balanced Budget Reaffirmation Act. For 1989, therefore, the CBO baseline deficit estimate is identical to CBO's estimate used for computing the excess deficit as part of the sequestration process. Having a single baseline is intended to help focus attention on the fundamentals of the budget situation and reduce any confusion stemming from minor conceptual differences in our budget projections.

Analysis of the President's Budget

The Congressional Budget Office carefully reviews the budget estimates that the Administration submits to the Congress. Where necessary and appropriate, CBO reestimates the Administration's budgetary proposals using different economic assumptions and CBO's estimating techniques and methods.

The economic assumptions used by the Budget Committees to formulate the annual budget resolutions usually are different from the assumptions the Administration uses in preparing the President's budget. A different set of economic assumptions may significantly alter the budgetary impact of the President's proposals. Both Budget Committees periodically ask CBO to reestimate the President's budget using different economic assumptions.

CBO has an independent capability for estimating the impact on budget outlays of various budget proposals. To keep these techniques and methods as accurate as possible, CBO staff carefully monitor both actual spending trends, as reported monthly by the Treasury, and various program data series delineating recent trends in the use of federal benefits and services, the growth in beneficiary populations, and other factors affecting federal spending. The CBO uses these independent methods to reestimate the effect of the President's budgetary proposals. In recent years, these so-called "technical reestimates" have been significant.

In addition to reviewing carefully the Administration's budget estimates, each year, CBO prepares an overview analysis of the President's budgetary proposals. This publication is requested annually by the Senate Committee on Appropriations to assist Members and staff in preparing for overview hearings on the Administration's annual budget. The report discusses the economic outlook for the next several years and the possible economic impact of the President's proposals. It also presents CBO's reestimates of the budget impact of these proposals based on alternative economic assumptions and on CBO's estimating techniques and methods.

Bill Cost Estimates

The CBO prepares cost estimates for virtually every public bill reported by legislative committees in the House or Senate that would have a budgetary impact. CBO also prepares numerous cost estimates at committee request for use in earlier stages of the legislative process. CBO's bill cost estimates have become an integral part of the legislative process. Committees refer to them increasingly at every stage of bill drafting; indeed, they are having an impact on the final outcome of legislation.

The number of such bill cost estimates prepared each year varies, depending on the amount of legislation being considered and reported by legislative committees. For 1987, the number of individual cost estimates was 743, as shown in Table 1.

A large part of CBO's bill costing activity in 1987 was for the House and Senate Committees receiving reconciliation instructions in the budget resolution for fiscal year 1988. When combined with corresponding work on reconciliation proposals in 1981-1986, these efforts are equivalent to several hundred bill cost estimates. Because CBO's tracking system for bill cost estimates has treated work on all

TABLE 1. CBO BILL COST ESTIMATES (Formal and informal)

	1980	1981	1982	1983	1984	1985	1986	1987
Federal Estimates	861	553	747	676	687	601	667	743
State and Local Estimates	n.a.	n.a.	4	573	641	533	588	531

NOTE: n.a. = not applicable.

the reconciliation proposals as if they were a few large bills, this workload is not reflected fully in the figures shown in Table 1 for 1981-1987.

In addition to cost estimates for bills reported by legislative committees, CBO also provides the Appropriations Committees with outlay estimates for all appropriation bills. These outlay estimates are prepared for each appropriation account and are transmitted to the staffs of the committees largely in the form of computer tabulations. For example, many reports display both budget authority and outlay data in the Comparative Statement of Budget Authority (CSBA) formats used by the Appropriations Committees.

State and Local Government Cost Estimates

The State and Local Government Cost Estimate Act (Public Law 97-108), enacted in late 1981, expanded CBO's bill costing responsibilities by requiring estimates of the cost that would be incurred by state and local governments in carrying out or complying with legislation that is reported in the House or the Senate. This requirement was made permanent by the Balanced Budget Reaffirmation Act.

CBO's policy is to review as many bills as possible to identify their potential impacts on state and local government costs. These cost estimates may be limited to bills that, in the judgment of CBO, are likely to result in an aggregate annual cost to state and local governments of at least $200 million, or to have exceptional fiscal consequences for a geographic region or particular level of government. During 1987, CBO prepared state and local cost estimates for 531 bills. Of these bills, CBO estimated that 83 had some potential effect on the budgets of state or local governments and 448 had none.

Economic Forecasts

Each fiscal year, CBO provides the Congress with two economic forecast reports. They are issued to coincide with Congressional consideration of the concurrent resolutions on the budget.

CBO does not maintain its own macroeconomic model of the economy. Instead, it uses the major commercially available econometric models: Data Resources, Inc., Wharton Associates, Washington University Macroeconomic Model, and Ray Fair Economic Model. We also rely on the advice of a distinguished panel of advisers who represent a wide spectrum of economic views. The panel is supplemented from time to time with guests possessing expertise in particular areas of interest. Appendix A to this statement lists the current members of the panel.

The reports issued in February and August of 1987 focused on recent economic developments, discussed fiscal and monetary policy, forecast short-term economic trends, projected long-term trends, and detailed the federal budget outlook under these economic assumptions. As has been previously mentioned, CBO will continuously have to use various models of the economy in the future to conform with the requirements of the Balanced Budget Act. With the growing internationalization of the U.S. economy, the task has become more complex, since it is increasingly important to monitor developments abroad as well as in the United States.

Tax Analysis

With each new economic and budget baseline forecast, CBO provides the Budget Committees with a set of standardized tables showing considerable background detail on CBO's baseline revenues and estimates of recent tax legislation. The Budget Committee staff members have found these tables very useful.

CBO also provides several sets of five-year baseline revenue estimates based on alternative economic forecasts developed by the staffs of both Budget Committees. Most of these are done to aid the staffs in their preparation of the budget resolution.

Revenue scorekeeping reports, with bill-by-bill detail, are sent biweekly, or as needed, to the staffs of the Ways and Means, Finance, and Budget Committees. The reports provide five-year estimates of the revenue effects of each tax bill on the legislative process, and compare the cumulative revenue effects of enacted legislation with the targets set in the budget resolution. The revenue estimates shown in the reports are drawn from CBO cost estimate letters and are furnished to the tax-writing committees when each tax bill is reported.

The CBO staff also continued to provide estimates of the revenue effects of many alternative deficit reduction plans. In addition, last year, the CBO completed a major study of tax policies for pensions and other retirement savings.

Program Analysis

The CBO's program divisions--Human Resources, Natural Resources, National Security, and the small General Government unit in

Intergovernmental Relations--respond to requests from Congressional committees for analyses of issues and options that help Congress anticipate the consequences of legislative proposals. Four types of products illustrate the range of efforts carried out by the program divisions:

- Formal and informal cost estimates and other budget analytic work analogous to, or in support of, the efforts of the Budget Analysis Division. Often this work involves developing simulation models to estimate the impacts of technical and other changes in legislation.
- Short-term policy analyses, usually to estimate the likely effects--other than costs--of proposed legislation.
- Longer-term analyses of broad issue areas, considering a full range of policy options. These projects typically result in published papers.
- Testimony at Congressional hearings, which often follows from other work we have done.

The principal responsibility of the program divisions is to assist the committees of the Congress in drawing the link between legislative policy options and their budget effects. Over the years, CBO has responded to requests for analyses of key program issues from almost every committee of both Houses of the Congress.

In fiscal year 1987, CBO completed 26 such reports for 13 Congressional committees--6 in the House and 7 in the Senate. Appendix C of this statement shows the distribution of reports completed for House and Senate committees in fiscal year 1987.

The subject areas of these reports have typically reflected the major budgetary issues before the Congress and the nation. Our program divisions support Congressional debate by organizing and presenting policy goals, often scattered among disparate programs in different budget functions and tax provisions, into a single analysis. In this way, the Congress can see more clearly whether its policies are having the intended effect.

Some recent studies of this type are: *Has Trade Protection Revitalized Domestic Industries?*; *How Federal Policies Affect the Steel Industry; The GATT Negotiations;* and *U.S. Trade Policy; Educational Achievement: Explanations and Implications of Recent Trends; and Setting Space Transportation Policy for the 1990s.*

In terms of direct support of the budget process by the program divisions, there are studies that address the budgetary implications of changes in program emphasis or direction or in the implementation of new initiatives. Committee interest in such analyses may be prompted by budget constraints or by the perception that existing programs may be inefficient or have outlived their original intent.

Recent CBO studies along these lines include: *The Army of the Nineties: How Much Will It Cost?*; *Work-Related Programs for Welfare Recipients*; *Financing Municipal Water Supply Systems; Contracting Out: Potential for Reducing Federal Costs*; *Assessing the Effectiveness of Milestone Budgeting*; *The Benefits and Risks of Federal Funding for Sematech*; and *Setting Personnel Strength Levels: Experience and Productivity in the Military*.

Based on current committee requests, CBO expects to complete more reports in fiscal year 1988 than in fiscal year 1987. We further assume that our level of activity in fiscal year 1989 will be similar to that in fiscal year 1988. CBO's program areas have remained remarkably stable in terms of staffing and funding since the inception of CBO. Through the years, they have accounted for approximately one-third of CBO's staff positions and a little more than one-quarter of the funding.

Published reports are only the most obvious example of the analytic support provided to the Congress by the program divisions. Regularly, short-term analysis in the form of unpublished papers, staff memoranda, and letters is provided to committee staffs by the program divisions. During Congressional deliberations on the new Federal Employees Retirement System, for example; CBO staff provided extensive technical assistance to the Budget and Authorizing Committees concerning the budgetary impacts of numerous proposals.

In addition, CBO maintains a heavy agenda of testimony. CBO was called upon to testify on 31 separate occasions during the last fiscal year before a variety of Congressional committees. This testimony is often in connection with an ongoing or completed report, though we sometimes prepare new analyses for such appearances.

Finally, our program divisions have developed a number of sophisticated analytic computer models of federal programs. The output from these models is provided to our Budget Analysis Division for use in its cost estimates, and program analysts frequently help revise or improve existing BAD models. This allows our program units to respond to requests that require sophisticated analytic treatment, such as simulating the effects of options on beneficiaries of federal programs. Similarly, the program divisions have developed models, both for the budget committees and authorizing committees, that estimate the costs and revenues of specific programs. The models are used by the committees to respond to proposals made during the markup of legislation.

The requests and demands made of our program units will not lessen under the Balanced Budget Act. The Congress, to carry out its policy objectives during these times of severe fiscal constraint, will consider a large number of new and innovative approaches in a myriad of programs. CBO will be called on, and stands ready to assist, in the evaluation and analyses of all such proposals, assuring the Congress of the best possible information on which to base its decisions. In addition, the Congress will continue to assess the programmatic and policy implications of budget reductions. The CBO program divisions have the resources in place to provide information as the Congress makes these important reassessments.

ORGANIZATION OF THE CBO

For management and administrative purposes, CBO is divided into seven divisions. While the functions of each division are unique, the work of each is highly dependent on that of the other, and I would like to take time today to share with you how this "crosswalk" works.

Three of our divisions--the Budget Analysis, Fiscal Analysis and Tax Analysis Divisions--support primarily the needs of the House and Senate Budget and Appropriations Committees for accessible, comprehensive, and technical budget and economic information. The other four divisions--Natural Resources and Commerce, National Security, Human Resources and Community Development, and the General Government unit of the Office of Intergovernmental Relations--provide key support, often early in the legislative process, to the budget and authorizing committees in analyzing various programmatic and policy options and their associated costs. To perform these tasks, each unit must collaborate with others.

For example, the economic assumptions developed by the Fiscal Analysis Division serve as the basis for our cost estimating, projections, and issue analysis. The budget numbers developed by Budget Analysis often depend on methodological studies done in the program divisions. Finally, all numbers developed in connection with analytic studies are reviewed by the cost analysts in the Budget Analysis Division. This crosswalk among our divisions is absolutely essential to our ability to provide accurate cost estimates and comprehensive analyses of alternative legislative strategies.

The interdependence of our organization is best exemplified by the report, *Reducing the Deficit: Spending and Revenue Options*. (Incidentally, Mr. Chairman, over the years, Members of the Congress have told us they find this to be one of the most useful documents we produce.) The study describes several broad strategies for reducing the federal deficit and analyzes numerous specific spending and tax options for carrying out those strategies. Each option lists the outlay savings or revenue increases that would result from its enactment. The Fiscal Analysis Division prepares the economic assumptions used in the report. The Budget Analysis Division prepares the baseline projections using these economic assumptions. The program divisions develop strategies and options. The cost analysts in the Budget Analysis Division provide the savings estimates associated with each option. The Tax Analysis Division provides the analysis of revenue increases.

As you are aware, Mr. Chairman, Dr. Rudolph G. Penner, the second Director of the Congressional Budget Office, did not seek reappointment to a second term and left on March 1, 1987. Dr. Edward M. Gramlich, Deputy Director, became Acting Director. When it became necessary for Dr. Gramlich to return to the University of Michigan in December 1987, I was named Acting Director. I am also the Assistant Director of our Budget Analysis Division, a position I have held since CBO's inception in 1975.

Under the Congressional Budget Act of 1974, the Director of CBO is appointed for a four-year renewable term by the Speaker of the House and the President Pro Tempore of the Senate, after they have considered the recommendations of both Committees on the Budget.

The other organizational change made in fiscal year 1987 was to transfer five staff positions from the Budget Analysis Division to the Office of Intergovernmental Relations (OIGR). The Systems Development and Research Unit provides microcomputer and technical ADP support to all CBO divisions. OIGR handles the daily internal administrative activity of CBO and this transfer of personnel was consistent with such functions.

THE FISCAL YEAR 1989 REQUEST

As I indicated previously, Mr. Chairman, the incremental increase over the 1988 operating level is comprised mostly of mandatory spending to fund CBO at the authorized staff level. Of the $1,014,000 increase being requested, $829,000, or nearly 82 percent, is to cover these personnel costs. The remaining $185,000--an increase of just 1 percent over fiscal year 1988 levels--is primarily to cover cost increases for a variety of items and for the purchase, leasing and maintenance of our automated data systems. Again, CBO is not seeking any new positions.

Personnel Costs

The bulk of the increase in expenditures that CBO must make in fiscal year 1989 is to bring its staff up to full strength. For much of 1987 and through the first half of fiscal 1988, CBO has operated with a number of important vacancies, including at the Assistant Director level. Although the vacancies helped us absorb many costs, such as 65 percent of last year's supplemental and all of fiscal year 1988's cost-of-living adjustment, we cannot continue to keep these slots vacant in the future. We are most anxious to fill these essential positions.

Of the $829,000 in increased personnel costs, $475,000 is attributable to staffing at the authorized level. The remaining $354,000 is for merit increases and related benefits and for annualization of the last quarter of the 1988 cost-of-living adjustment, as well as the cost of other benefits.

Other Costs

As with past years, much of the requested increase in other spending is the result of price increases. The remainder is primarily for ADP applications, including the replacement, upgrade, redesign, and maintenance of computer hardware and software. As much as one-half of the requested increase, however, is offset by the ADP savings that CBO expects to derive from a variety of sources.

Total price increases amount to $122,000. The major increase is in the cost of printing, up 9 percent or $38,000. Other areas with sizable increases are ADP timesharing from commercial vendors, 4 percent or $18,000; telecommunications and utilities, 5 percent or $17,000; and microcomputers, 3 percent or $16,000.

The other increases we have requested are ADP-related and are in support of CBO's current operations. Among the amounts requested are:

- $94,000 to replace aging microcomputers with faster, more efficient models;

- $83,000 to purchase newly compiled data to update existing models and data bases;

- $40,000 in support of the needed changes and updates to mainframe applications.

In recent years, CBO has engendered significant savings in ADP related costs from increased use of microcomputers and from transferring its major mainframe system to HIS from commercial vendors. CBO continues to investigate new ways to save on ADP costs and in fiscal year 1989 expects to realize ADP savings of $233,000.

These savings, when combined with the requested spending increases, makes the net requested increase in areas other than personnel just $185,000, 1 percent over fiscal year 1988 levels and well below CBO's anticipated rate of inflation for 1989.

CONCLUSION

Mr. Chairman, as I stated at the opening of this justification, I have tried to maintain a most prudent approach in budgeting for CBO. We have submitted a budget that, in its discretionary spending, is well below the expected rate of inflation and which, overall, conforms to the amount allocated to CBO in its own baseline projections. It is, I believe, a budget that will allow CBO to continue to serve the Congress at the professional level it has come to expect. Thank you, Mr. Chairman.

Questions Submitted by the Subcommittee

Question 3. We notice that the CBO estimates that the President's budget would result in outlays $26 billion higher than the Administration's estimate. Why is that?

Answer. Most of the differences between the CBO and Administration estimates reflect assumptions about the future of the economy. CBO foresees less rapid real growth, higher inflation, and higher interest rates than does the Administration. These economic differences amount to $17 billion for fiscal year 1989 estimates.

The remaining $9 billion in outlay differences are attributable to technical estimating assumptions. Of this, only a very small portion involves discretionary accounts--about $1 billion. But CBO's 1989 outlay estimates for deposit insurance, Medicare, and income security programs are each $2 billion higher than the Administration. Finally, CBO expects a total of $4 billion in lower proceeds from asset sales and loan prepayments.

Question 5. Your budget for 1989 includes funds for additional computers and for replacement hardware. Do you have the capability to communicate with Congressional committees over computer cables?

Answer. CBO is located in a House office building and has only direct access to the House cable system. Using this cable, CBO can communicate directly with any House committee attached to the same cable. CBO currently uses a telephone and modem to communicate with all other committees. CBO systems are compatible with the Senate cable and could use this transmission method via a dial-up arrangement, or, if the cable were located on the House premises, by physical connection.

Question 6. Complicated program analysis requires a large computer model of the program. Who designs these models? Do you maintain the database in CBO computers?

Answer. CBO uses many different computer models (programs). Most of the programs have been designed and written by CBO staff. Some have been developed, under CBO supervision, by ADP contractors. Normally, the data resides on CBO computers. Other times, when the data is proprietary, it is accessed via commercial timesharing computers. CBO does not maintain its own macroeconomic model, but purchases commercially available econometric models to develop its forecast of the economy.

Question 7. One of the program reports that you have issued recently dealt with space transportation policy for the 1990s. The Congress is going to have to make decisions this year concerning the space shuttle and space station, what options did your study identify?

Answer. The CBO study, Space Transportation Policy for the 1990s (October 1986), a copy of which is provided, focused on the issues surrounding whether or not to replace the orbiter Challenger, and on the potential federal roles in supplying launch services to the commercial satellite market. The report analyzed whether the country could achieve its space policy goals with three orbiters and expendable launch vehicles if the Challenger were not replaced. A major factor supporting the replacement orbiter was NASA's plan to construct a space station in the mid 1990s.

Three options were examined regarding a U.S. role in providing launch services for commercial satellites: privatization, the policy ultimately adopted by the Administration; a public sector system employing both the orbiter fleet and conventional rockets; and, a hybrid involving joint public sector-private sector ownership and operation, similar to the European Arianespace approach. The report noted that the competitive environment of the mid 1990s could require federal support of U.S. conventional rockets regardless of the institutional arrangement.

CBO will shortly release a new report evaluating the budget implications of the entire NASA program from 1988 through 2000. It will include alternatives to the current transportation and space station programs.

[CLERK'S NOTE: The study, "Space Transportation Policy for the 1990's," is retained in committee files.]

Question Submitted by Senator Reid

Question 1. In your written testimony, you mentioned that the CBO has had an Acting Director since March 1st of last year. When do you anticipate the appointment of a permanent Director will occur?

Answer. As you point out, the position has been vacant for over a year, and I believe it is important that the matter be resolved. The Director of CBO is appointed by the Speaker of the House and the President Pro Tempore of the Senate upon the recommendations of the two budget committees. It would be speculative on my part to suggest when a decision will be reached, but the Budget Committees are currently seeking an agreement on a candidate.

Question Submitted by Senator Grassley

Question 1. Mr. Blum, you are better informed than most people about last year's budget summit agreement and its implications for this year's appropriations process. As you know, that agreement holds growth in budget authority for non-defense discretionary programs to 2% in fiscal year 1989 over fiscal year 1988. The budget request you are presenting today represents a 5.6% increase overall. Are you satisfied that your request conforms with the 2% limitation on discretionary increases? What would be the impact of a recommendation from this subcommittee that your fiscal year 1989 increase be limited to the $829,000 in mandatory items, requiring you to absorb program increases?

Answer. The Congressional Budget Office fiscal year 1989 budget request is consistent with our baseline projection and represents a prudent estimate of the funds necessary to operate our agency at the full staff level, and to provide the Congress with the level of service it has come to expect. CBO's fiscal year 1988 appropriation is not sufficient for the agency to operate at its authorized staff ceiling. The 2 percent limit decided upon in the summit applies to overall growth in nondefense discretionary program budget authority. The Congress has discretion in how to apply the limit at the individual account level.

Funding just the mandatory items in our budget request would leave $185,000 remaining to be absorbed. About two-thirds of that, $122,000, is for price increases and the remaining $63,000 is for ADP systems maintenance and equipment replacement. The price increases could, we hope, be funded by further savings in computer costs. Equipment purchases and maintenance would be postponed.

GOVERNMENT PRINTING OFFICE

STATEMENT OF RALPH E. KENNICKELL, JR., PUBLIC PRINTER

ACCOMPANIED BY:

JOSEPH E. JENIFER, DEPUTY PUBLIC PRINTER
M. JOSEPH CANNON, ASSISTANT PUBLIC PRINTER, FINANCIAL POLICY AND PLANNING
JAMES N. JOYNER, ASSISTANT PUBLIC PRINTER, ADMINISTRATION AND RESOURCES MANAGEMENT
DONALD E. FOSSEDAL, ASSISTANT PUBLIC PRINTER, SUPERINTENDENT OF DOCUMENTS
GRANT G. MOY, JR., GENERAL COUNSEL
THOMAS J. MULDOON, DIRECTOR, OFFICE OF FINANCIAL PLANNING

OPENING REMARKS

Senator REID. Our final witness this morning is the Public Printer, Mr. Ralph Kennickell, Jr., who will present the fiscal year 1989 request of the Government Printing Office.

Mr. Kennickell, your prepared statement will be made part of the record. If you would care to summarize we would appreciate that because we have some questions for you.

It is a pleasure to have you here. Would you please introduce the people at the table?

INTRODUCTION OF ASSOCIATES

Mr. KENNICKELL. Thank you, Mr. Chairman. On my right is the Deputy Public Printer, Joe Jenifer, and on my left is Joe Cannon, Assistant Public Printer for Financial Policy and Planning.

In the interest of time and without objection, I will even dispense with an opening statement and I look forward to your questions, sir.

Senator REID. I want to tell you how much I appreciate last year. being a new Member of the Senate, your coming in and explaining to me the operation of your facility. It was most helpful and certainly makes my assignment here today easier because of the fine job you did outlining your program and some of your past experience. That was really a big help to me.

AGENCY PRINTING PLANTS

Last year you indicated there were 850 Government printing and duplicating facilities with a work force of about 8,000 throughout the country. Has the number of Government-operated printing facilities changed since last year, and if so, has there been any savings?

Mr. KENNICKELL. Mr. Chairman, I am not aware of any dramatic changes. However, I did notice in the object class analysis of the fiscal year 1989 budget that the total amount of object class 24, which is printing and reproduction, is forecast to increase to $1.9 billion. Based on that figure, the GPO does less than one-third, so I would say that there appears to be substantial room for improvement. History has shown that when GPO procures work in the private sector, we procure it for far less than what it costs an agency to do it in their own internal shop. So the answer is that there is much more to be done, sir.

Senator REID. So, in your opinion, a number of these printing facilities could be eliminated?

Mr. KENNICKELL. Yes, sir; I suspect hundreds of them.

Senator REID. We had some testimony yesterday at a hearing with the Secretary of the Senate regarding the official reporters of the Senate and how there could be some money saved there if they were somehow able, through computer terminals, to send the information to you immediately.

We learned that there are changes that take place in the Record that must be retyped and so it is not easy to send it directly to you. But that would save lots of money if we could work out something there, and we are trying to do that.

SUPERFLUOUS PRINTING FACILITIES

What will it take? Will it take legislation, leadership in Congress, the executive branch, to close down some of these, what you believe to be superfluous printing facilities?

Mr. KENNICKELL. Mr. Chairman, I am not a lawyer so I will give you a printer's answer on that one. I think it will take a lot of guts on the part of a lot of different people. There is a lot of waste. It is something that has not been highlighted in the past, but my personal opinion is that it is time that we deal with this.

It is going to take leadership from the Congress and the executive branch.

Senator REID. I wonder if there has ever been a study done. I mean, we have these agencies coming before us that do all of these studies. Has there been one done regarding the Government printing that you know of?

Mr. KENNICKELL. Mr. Chairman, a few years ago OMB did a study and——

Senator REID. But I was talking about a credible agency. [Laughter.]

Mr. KENNICKELL. Then——

Senator REID. I am only kidding.

Mr. KENNICKELL. GAO has also supported the position that there is room for improvement in the Federal printing program with regard to the number of agency printing plants and duplicating facilities. So I would say GAO would be a good first stop.

Senator REID. Tell me about the OMB study. Did they come up with the same results, basically?

Mr. KENNICKELL. Their general conclusion was that there is some room for improvement. I had a discussion with the Director of OMB a month ago in which I expressed my views on these points. It is something that I have been discussing in Congress and in the executive branch for a little over 3 years.

Senator REID. Would you be kind enough to share those reports—you have mentioned two of them, one from the GAO and one from OMB—with the committee?

Mr. KENNICKELL. Yes, Mr. Chairman; I will endeavor to get those.

[CLERK'S NOTE: The two reports entitled, "Agency Printing Plants—Choosing the Least Costly Option" [PLRD–81–31] June 19, 1981, by the General Accounting Office; and "Management of the United States Government, Fiscal Year 1986" by the Office of Management and Budget," are held in committee files.]

PUBLICATIONS IN ELECTRONIC FORMAT

Senator REID. I understand that Federal agencies have started to procure publications in electronic format through the Government Printing Office. If these new formats, such as CD–ROM are provided to depository libraries, is this a process that will cost the Government less money?

Mr. KENNICKELL. Yes, sir. There is a huge amount of information that can be stored on an optical disc and we do have one agency that is discussing CD–ROM's with us now. That is the Bureau of the Census.

Senator REID. It is my understanding that depository libraries have volunteered to receive about 60 percent of their publications in microfiche rather than paper, with substantial savings to the Government. That would be state and local governments, too.

Since last fall, few publications have been provided to the selecting libraries because of a quality problem with the contractor; are you familiar with that?

Mr. KENNICKELL. Yes, Mr. Chairman. We had to default a contractor last year which resulted in a substantial backlog.

Senator REID. So is that being rectified now?

Mr. KENNICKELL. That is being worked on; yes, sir.

Senator REID. So you are taking actions to fulfill the Government's obligations to the depository libraries and to the public in this regard?

Mr. KENNICKELL. Absolutely, Mr. Chairman.

EMPLOYMENT

Senator REID. Do you have any personnel shortages in any areas of your operation?

Mr. KENNICKELL. Mr. Chairman, over the last dozen years GPO, through attrition, went from approximately 8,500 employees to a little over 5,000 today. We have done that mainly by migration from older technology to newer technologies. However, there is still room for improvement. We have in place manning documents for our critical production areas which support the Congress and other agencies and they indicate that we are in good shape at this time.

We do have to hire occasionally from the outside to fill some critical skill levels. We also have activated an accelerated apprenticeship program to provide us with the craftsmen necessary to continue the production operations of the GPO.

CONGRESSIONAL RECORD

Senator REID. We periodically get complaints about mistakes in the Congressional Record. How many complaints, if any, do you get during a year's period of time? Do you know?

Mr. KENNICKELL. I can think of two of them this past year.

Senator REID. That is all?

Mr. KENNICKELL. That is all that has been brought to my attention.

Senator REID. That is not bad, is it?

Mr. KENNICKELL. That is not too bad, sir; better than 99.99.

STATE OF GPO FACILITIES

Senator REID. What, in your opinion, is the state of GPO facilities? Do we need to modernize the plant and equipment?

Mr. KENNICKELL. Absolutely, Mr. Chairman. For the last 30 years it has been recognized, both on the Hill and in GPO, that a 19th century manufacturing facility, which is what GPO has now——

Senator REID. Nineteenth century?

Mr. KENNICKELL. Yes, Mr. Chairman. That is the way they built them back then. Our present facility is not conducive to modern in-line production techniques. There has been some interest lately on the part of a distinguished colleague of yours, Senator Moynihan, and the Administrator of GSA to possibly utilize the GPO's main plant as a Federal office building.

I have tried to encourage that type of thinking and I personally would like to see the GPO move from its present location. I suggested that our main production facilities there could be relocated to the Navy Yard.

We could probably save $19 million per year in our annual operating costs, with an additional one-time savings of $33 million.

Senator REID. Is this a leased facility you are in now?

Mr. KENNICKELL. No, Mr. Chairman. Our building is totally Government owned. I pay no GSA charges nor any private sector charges.

Senator REID. I serve on that committee with Senator Moynihan—Environment and Public Works—and it is really remarkable some of the things that we have not done. For example, the Federal Triangle, which has been an eyesore to the Nation's Capitol for decades. Finally we are going to do something about that.

I think that one of your colleagues who just left, or is in the process of leaving if he has not already left, the Administrator of GSA, Mr. Golden, has done a remarkable job in trying to bring the General Services Administration into this century. I think that he was a fine public servant and it is a shame that he had to leave.

I was not aware that Senator Moynihan was working on this problem and I will certainly contact him and see if we can help on that.

Mr. KENNICKELL. Thank you, Mr. Chairman. I might add that now would be an excellent time to consider a move for GPO because we are considering reequipping our main pressroom. I can have the new equipment installed anywhere. It does not have to be in the current GPO building.

Senator REID. We have some more questions for you. We are going to submit those in writing.

Again, as I indicated in the beginning, we appreciate your good work. I think that we are well served with your deliberation and farsightedness.

Thank you very much for being here.

Mr. KENNICKELL. Thank you, Mr. Chairman. It has been a pleasure.

[The statement follows:]

STATEMENT OF RALPH E. KENNICKELL, JR., PUBLIC PRINTER OF THE UNITED STATES

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

My colleagues and I are pleased to be here today to present the funding requirements necessary to carry out the responsibilities of the U.S. Government Printing Office for FY 1989.

Three years ago President Ronald Reagan appointed me as the 21st Public Printer of the United States. The President's commission, and my subsequent confirmation by the Senate, gave me the responsibility under the law to "take charge of and manage" the operations of the U.S. Government Printing Office (GPO), a duty I have strived to execute faithfully and in the best interests of the Federal Government and the American taxpayer.

Since I first took office, I have issued reports periodically on the status of GPO and the progress we have made on various management initiatives. As we begin the final year of the current Administration, I believe it is appropriate to summarize the accomplishments of the recent past, and to highlight the initiatives that must continue if GPO is to deal effectively with the challenges it faces both today and in the coming years.

Record of Achievement

From my vantage point the past 3 years at GPO have been marked by a record of sustained achievement:

> Each year, GPO has generated total revenues exceeding $800 million, realizing substantial net income in every major program area.
>
> Each year, we have operated with reduced funding from Congress, and we have accommodated budget reductions imposed by the Balanced Budget and Emergency Deficit Control Act of 1985 with a negligible impact on GPO services.
>
> Each year, GPO has relied on record numbers of private sector contractors across the Nation to obtain the Government's printing needs at the most competitive price.

GPO's Sales of Publications Program, including the Bookstore Program, has reversed the declining sales trend of the previous decade, finally eliminating the $19.4 million loss sustained between 1978 and 1981 while generating record sales and net income.

Total GPO employment has been reduced to its lowest level in more than 20 years with a minimum of job dislocation.

We have made significant improvements in plant and equipment, resulting in substantial productivity gains.

Relations with Congress and our customer agencies are vastly improved and GPO's customer markets are expanding, due to innovations in congressional service, a revitalized Customer Service Department, and an aggressive publications marketing program.

Labor-management relations have undergone a complete turnaround. At GPO there is a new-found spirit of organizational pride that has reunited employees with GPO's larger mission: to be a "demand-driven, service-oriented" agency dedicated to providing timely, high-quality, low-cost Government information products and services.

Today GPO is in a position to assume additional information reproduction and dissemination work from other Federal agencies impacted by budget reductions, ensuring that the information needs of the Government and the public will continue to be met while providing the best possible return on the taxpayer's Federal printing dollar. This is a record of which GPO justifiably can be proud.

But much more remains to be done. We cannot afford to rest on the record of the last 3 years. We cannot fail to complete the agenda we have begun, nor can we ignore the challenges of the coming years. The program we have put in place, combined with the initiatives we will be undertaking this year, will enable GPO to overcome those challenges while continuing to meet the requirements of its statutory mission.

Appropriations Request

For FY 1989, I am requesting $104,500,000 for those programs that require appropriations directly to GPO. This is an increase of $9,479,000, or about 10 percent, over FY 1988, including transfers from the GPO Revolving

Fund. The increase is primarily for the Bound Congressional Record, a new daily Congressional Record Index, the complete reprinting of the U.S. Code, other expanded services to Congress, and increased Depository Library distribution. The request consists of $77,700,000 for the Congressional Printing and Binding Appropriation and $26,800,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents.

The request for the Congressional Printing and Binding Appropriation includes $4,300,000 for the 1989 Bound Congressional Record. Although funding for the 1986 through 1988 Bound Records has been deferred, GPO has been directed to perform any necessary work on these publications using available funds. However, it may become necessary to request additional funding in future years to complete the work on these Bound Records. Volume increases are anticipated for the Congressional Record Index and Indexers, Miscellaneous Publications (primarily due to the 1988 edition of the U.S. Code), Miscellaneous Printing and Binding, Details to Congress, Document Envelopes, and Hearings. However, volume decreases are anticipated for other categories of work, including the Daily Congressional Record, Document Franks, Business and Committee Calendars, Committee Reports, Documents, Committee Prints, and Bills, Resolutions, and Amendments. Improved and additional products and services will be provided to Congress, such as on-line Congressional Record search and retrieval capabilities and a Daily Record Index.

The request for the Salaries and Expenses Appropriation is an increase of $2,138,000 over the total funding approved for FY 1988, including $5,500,000 in transfers. The increase is primarily due to increases in printing costs for distribution of publications to depository libraries, including the U.S. Code and the new Daily Congressional Record Index. GPO will continue dual format distribution to depository libraries for those categories of publications for which dual format distribution is available, honoring our commitment to provide hard copy publications to libraries that request them. We are also working closely with the Joint Committee on Printing to explore ways to provide electronic dissemination of Government information to depository libraries.

For the past 3 years, Congress has directed that net income from the sale of Government publications be used to offset requirements in the Salaries and Expenses Appropriation. I am pleased to report that a record total of $11.4 million in net income for FY 1987 is available for this purpose due to improved sales management and successful marketing efforts.

Assessment of GPO

Since its establishment in 1861, GPO has played a unique role in Federal information policy as the single most important support service for both the providers and consumers of Government information. During that time GPO has compiled an exemplary record in the execution of that policy, providing Congress and Federal agencies with high-quality, cost-effective products and services under often difficult schedules, leading the industry in the application of new technologies, and meeting the public's increasing demand for Government information.

Yet when I took office in December 1984, it was clear to me that GPO was at a crossroads. A number of long-term institutional problems persisted, resulting in increased costs and diminished quality and service. These included an inefficient Central Office plant, outmoded equipment, poor employee morale and low productivity, divisive labor-management relations, ineffective management information systems, and a reputation for unresponsive and inflexible customer service. More troublesome was GPO's seemingly directionless management course, a course which was not preparing GPO for the difficult challenges that lie ahead. GPO's unique role in Federal information policy, and its continued ability to shape the conduct of that policy, were in jeopardy. Indeed, the long-term outlook for GPO's survival was an open question.

New Management Program and Goal

Technology advances, continued fiscal constraint, and the public's growing demand for Government information are imposing new challenges on GPO. To ensure that GPO is in a position to meet these challenges competitively, we implemented a new management program to rationalize GPO's operations--in other words, to bring modern and efficient methods to the business of Government printing and distribution. The elements of this program--a new management outlook, a recognition that an organization's employees are its greatest asset, an aggressive approach to customer service, modernization of GPO's product and service lines--are basic to the operation of America's most successful companies.

The goal of our program has been to transform GPO into a "demand-driven, service-oriented" agency. This goal is based on GPO's mission, as embodied in Title 44 of the U.S. Code, yet it gives that mission a new purpose. To become truly "demand-driven and service-oriented," GPO must operate from the perspective of today's entrepreneur, consistently seeking out new opportunities to provide customers with the best possible service at the lowest possible price. Strict adherence to this goal has been the key to GPO's success for the last 3 years.

Results of Operations

The results of GPO operations over the last 3 years testify to the effectiveness of our program. In FY 1985, GPO generated total revenues of $859 million, realizing a consolidated net income of $10 million. In FY 1986, despite a temporary downward turn in total revenues to $826 million due to the impact of the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings), GPO realized a consolidated net income of approximately $9 million. The results of FY 1987 show that GPO operations regained the ground lost the previous year despite the continuation of Gramm-Rudman-Hollings budget reductions, realizing a consolidated net income of $23 million on total revenues of $871 million. In each fiscal year, net income was realized in every major GPO program: in-house printing, procured printing, and sales of publications.

GPO's improving financial condition has resulted in significant cost savings for the taxpayer. In cooperation with Congress, GPO held the line on real growth from FY 1985 to FY 1988 by operating with decreased annual appropriations for Congressional printing and documents distribution needs. While the appropriations request I am submitting for FY 1989 calls for moderate increases in funds to cover expanded products and services, GPO's overall request is still a full 17 percent under the level of funding approved for FY 1984.

Other savings have been achieved. In 1985, I presented the Secretary of the Treasury with a check for $8.2 million, returning a surplus of funds accumulated by GPO's Sales of Publications Program as the result of successful marketing and improved sales management techniques. This event marked the first time since 1978 that such funds could be returned to the Treasury, as required by law. Since FY 1986, Congress has been able to use net income generated by this Program to offset the costs of appropriated-fund programs in the Superintendent of Documents area.

Impact of Budget Reductions Minimal

Gramm-Rudman-Hollings has challenged GPO to provide uninterrupted service to Congress and Federal agencies despite mandatory budget reductions. For FY 1986, Congress ordered a 4.3-percent reduction in funding previously authorized for Congressional printing. Congress continued these Gramm-Rudman-Hollings reductions for fiscal years 1987 and 1988. Due to cost savings achieved through new technology, improved productivity, and continued reductions in personnel costs, however, the impact of Gramm-Rudman-Hollings on the provision of service to Congress has been minimal.

For customer agencies which have been impacted adversely by Gramm-Rudman-Hollings, GPO has been able to fill the gap in information services. Several agencies have requested that GPO sell forms which they previously distributed free. Another result of Gramm-Rudman-Hollings was the creation of GPO's Congressional Sales Program, which today continues to operate successfully at GPO's Central Office. Because of GPO's sound financial position, we have been able to ensure that the information needs of the Government and the public will continue to be met.

New Era of Employee Relations

Over the last 3 years we have strived to instill in GPO's employees a new sense of pride in their work and their agency. Our objective has been to place traditional GPO values--craftsmanship, confidence, cooperation, and commitment--in the service of GPO's new goal.

I am pleased to report that there is a new era of labor-management relations at GPO. In 1985, wage negotiations between management and craft employees on a 3-year contract reached an amicable settlement without the involvement of an outside third party, unlike most previous wage agreements. Labor and management are now preparing to sign a comprehensive, 3-year master agreement on work conditions covering all bargaining units. As we approach the opening of negotiations on a new wage contract, I am confident that a fair agreement can again be reached.

Several initiatives have been undertaken to solidify GPO's commitment to its employees. The Thompson and MacKenzie suits were settled, allowing us to close the final chapter on discriminatory employment practices at GPO. For the last 3 years, greater emphasis has been placed on equal opportunity and minority placement programs. For the first time in recent memory, the dedicated efforts of GPO's regional personnel have been given the Central Office recognition they deserve. A new performance appraisal system has been implemented to give managers a fairer and more accurate means of assessing their employees' strengths and weaknesses, and GPO's Incentive Awards Program has been expanded to provide for proper recognition of employee achievements.

We have also devoted new attention to our employees' future and well-being. Training programs have been expanded, and a Personal Computer Learning Center established, to assist in the development of new knowledge and skills. In addition, an Office of Employee Assistance was established to provide confidential counseling and referral services to troubled employees. Altogether, these achievements have placed GPO in the forefront of Federal employee relations programs, and they have paid off handsomely in terms of improved morale and increased productivity.

Customer Service Revitalized

GPO's determination to be the most service-oriented agency in the Federal Government has resulted in several novel approaches. Reflecting the practice of America's best run companies, we created a Departmental Account Representative Division to give individualized attention to our customers' printing and publishing needs. Recently, this program was augmented by the establishment of an Electronic Publishing Management Section to give specialized service in new technology applications.

We also inaugurated an aggressive customer outreach program, and have conducted hundreds of meetings and visits with customer agency personnel to assist in the preparation of their printing and graphic arts requirements. This program has been particularly successful. Not only has it advertised GPO's services, but suggestions from GPO representatives have resulted in substantial savings for Federal agencies.

Federal Publishing Institute

For several years, GPO has conducted an Interagency Training Program for Printing Assistants, which has been well-received. To expand on the concept of service through education, I recently called for the establishment at GPO of a Federal Publishing Institute, bringing together all the elements of design, printing, and technology into a cohesive program for the benefit of Federal printing and publishing officials. This Institute will move GPO into a leadership position in the application of new electronic technology to Federal publishing.

Improved Service to Congress

Providing the highest quality service and the fastest possible turnaround time for Congressional printing has always been GPO's first priority. Since 1985, we have taken a variety of actions to ensure that GPO meets or exceeds the standards established by Congress for its printing needs.

We have specifically addressed the problem of cuts in the Congressional Record, the practice whereby the printing of one day's proceedings is terminated in that issue and continued in the issue for the following day. Cuts in the Record have been a continuing concern of Congress and GPO, and in 1986 I submitted a report to Congress containing a variety of proposals for reducing their incidence. I am pleased to report that there has been a substantial improvement in this area over the past year. During the first session of the 100th Congress the Record was cut only 6 times as compared to 31 times for the second session of the 99th Congress.

Progress has been made on other initiatives to reduce costs and improve service to Congress. The automation of nominations printed in the Congressional Record, whereby a magnetic tape is supplied and the text is printed in a smaller typeface, has reduced keyboarding and proofreading requirements, speeding up the production and delivery of the Record. Selected enrolled bills are being produced using GPO's new Model 1824E photocopiers, reducing by half the turn-around time for processing these bills following composition. The backlog in the printing of hearings has been eliminated through the use of commercial printing resources. GPO's proofreading teams have been replaced by single readers to reduce costs and conform to industry-wide proofreading practice. Keyboarding quality standards have been implemented in GPO's pre-press area, and several upgrades to GPO's photocomposition system have been made to improve processing capability.

Congress and GPO should continue to explore the use of automated technology to expedite the production of the Record, including a greater use of tapes as opposed to hard copy for data transfer, automation of the indexing of the Daily Digest portion of the Record, and the use of high-speed information entry systems.

Congressional Record On-Line Access

To improve access to Congressional information for Members and staff, we are developing a system for on-line access to the Congressional Record. The database for this system, which will be cumulative for each Congress, will include Senate and House Proceedings, Extensions of Remarks, the Daily Digest, and the Congressional Record Index. The system will provide for search and retrieval, and will also facilitate the publication of secondary products based on the individual needs of Members, committees, and other Congressional offices. This project will open a new era of electronic service to Congress.

Expanded Role for the Private Sector

In fulfilling the printing and binding needs of the Federal Government, GPO utilizes private sector contractors to the maximum extent possible to obtain goods and services at the most competitive price. Nearly three-fourths of the work GPO processes is actually produced by commercial printers.

This policy makes good economic sense. The American printing and publishing industry today comprises 53,000 firms with a total employment of approximately 1.5 million, ranking as the sixth largest employer in the U.S. manufacturing sector. GPO maintains a Master Bidder List that includes over 14,400 of these firms, and does business with over 2,000 firms on a regular basis. About 80 percent of the firms with which GPO deals are small businesses, making GPO one of the foremost Federal agencies in supporting this vital sector of the American economy.

Since 1985, GPO has relied increasingly on the commercial printing industry to provide better service for our customer agencies. We have opened six new satellite printing procurement offices around the Nation to bring GPO's procurement services closer to major customer agencies and expand our access to local commercial firms. GPO's Printing Procurement Department has implemented new automated systems to improve processing time for contracts, strengthen communications between the Central Office and regional operations, and permit customer agencies to query the status of their printing orders electronically.

New Bid Information Center

Recently, GPO inaugurated a system to inform printing contractors of bidding opportunities by establishing an electronic bulletin board system. In addition to increasing the volume of bidding, and hence the volume of competition on GPO work, the new Bid Information Center concept will open the door to electronic mailing of job specifications, exchange of compliance information, and other innovations.

Privatization of Government Printing Unnecessary

In several countries, including Great Britain, Singapore, Italy, and Mexico, privatization has emerged as an alternative to the inefficiencies of government-owned industries. In recent years, a number of proposals have surfaced for the privatization of the U.S. Government's interests in railroads, the Postal Service, power authorities, and other holdings--including GPO. Given the fact that three-quarters of GPO's total printing and binding revenues are generated from commercially procured printing, however, it is readily apparent that Government printing in the United States today is essentially privatized.

Progress in Electronic Publishing

Electronic publishing will play an increasingly important role in the future of Federal information policy, and GPO's in-house operations have already taken a variety of actions to assist in its development. Our automated bill system eliminates a substantial amount of re-keying as bills move through the legislative process, and we hope to establish Congressional service centers throughout Capitol Hill, equipping each of them with on-line composition access. We have installed a floppy disk conversion system that allows Federal agencies to submit disks from over 100 different word processing systems for conversion to electronic databases suitable for automated composition. To facilitate the expansion of GPO's on-line composition system, we are converting our Master Typography Program to a more transportable language for utilization by customer agency publishing systems, including 32-bit computers and upscale personal computers.

It is in GPO's procurement area, however, that agency requests for large scale, comprehensive electronic publishing services are being met. These contracts feature full publishing agency control, integration of text and graphics, electronic mail, hard copy printing and binding, and packing and distribution.

The first major contract of this type, known as Program 400-S, was awarded to cover the printing of the Department of the Army's administrative documents and journals. Under the contract, camera copy is generated from a publishing database of approximately 32,000 pages resident in the contractor's computer. The database is accessible for updates and revisions from terminals placed at remote sites throughout the Nation. Revisions from these sites are sent electronically to the Army Publications Directorate for concurrence and then forwarded to the contractor, who changes the database, outputs camera copy, and then prints, binds, and distributes the updated publications directly to the users. Program 400-S has received highly favorable reviews and has resulted in significant cost savings to the Army since its inception.

In 1986, a larger electronic publishing contract, known as Program 600-S, was devised for the printing of the Army's technical and training manuals. Program 600-S involved the establishment of an interactive, display-oriented system of multiple local area networks (LANS) placed at up to 200 locations throughout the United

States and abroad. Through direct input, these networks were designed to provide for the creation and altering of documents, including graphics, and for the production of complete page makeup in final page form. When fully operational, the system was to provide for a commercial printing requirement of 26 million page impressions daily. Although the Army eventually withdrew its requirement for the program, this concept has substantial cost-saving potential for future applications in the Federal Government.

Program 50-S Awarded

In January 1988, GPO successfully awarded a 3-year, $10 million contract to automate the publishing of Air Force manuals, regulations, pamphlets, and forms through a computerized printing and publishing system known as Program 50-S. When fully operational, Program 50-S will allow Air Force personnel worldwide to use terminals to access forms and documents contained in a central database, alter them electronically, and receive hardcopy printouts at remote sites. Alternatively, documents can be printed and bound elsewhere for bulk distribution. Other electronic publishing programs are also in operation for several other agencies, all through contracts established by GPO.

Negotiated Procurement Authority Obtained

The process for the development and award of comprehensive electronic publishing contracts was improved in 1985, when GPO requested and obtained authority to conduct negotiated procurements in addition to formal advertising. The flexibility incident to negotiation is essential to the procurement of complex products and systems, permitting GPO to ascertain the greatest value to the Government in terms of performance, timeliness, quality, utilization of state-of-the-art technology, alternative technical and production plans, and prices. This authority has enabled GPO to expedite the completion of complex electronic publishing contracts while ensuring that they are awarded to the most cost-effective commercial source.

Cooperation with GSA

The Brooks Act, which charges the General Services Administration (GSA) with the principal responsibility for the acquisition of automated data processing (ADP) equipment, was recently amended to encompass a broader range of products and services. These recent amendments have highlighted the continuing need for GPO to coordinate its efforts with GSA in the procurement of large scale, comprehensive electronic publishing and printing services.

Title 44 of the U.S. Code provides that GPO may procure printing, binding, and blank-book work from commercial sources, with the approval of the Joint Committee on Printing (JCP). Such procurements, consequently, are subject to JCP review and policy direction. On the other hand, under the Brooks Act, GSA is the primary Government agency responsible for the acquisition of ADP products and services. Comprehensive electronic publishing contracts involve significant aspects of both printing and ADP technologies. In order that such "mixed resource" systems be procured most effectively and efficiently, a great deal of cooperation and coordination between GPO and GSA is required lest there develop some conflict between the policy goals of the JCP and those of the GSA. GPO needs GSA agreement to develop a joint procurement procedure which will appropriately discharge both GPO's obligations under Title 44 and GSA's obligations under the Brooks Act. This effort is essential if GPO is to continue to offer the provision of high quality, low cost, and timely information services through electronic printing and publishing contracts.

Documents Service Expanded

More than 200 years ago, the Founding Fathers noted the importance of an informed citizenry to the maintenance of our democratic tradition. James Madison said:

> A popular Government, without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy, or both. Knowledge will forever govern ignorance, and a people who mean to be their own governors, must arm themselves with the power that knowledge gives.

GPO's Superintendent of Documents programs provide the American public with a principal means of acquiring information about the research, activities, and operations of their Government. Since 1985, documents distributed through these programs have included some of the more notable titles of this decade, such as the reports of the Challenger accident investigation, the Tower Commission, and the Iran-Contra committee, and the materials associated with the 1986 Tax Reform Act and the Bicentennial of the Constitution. In that time, GPO has expanded access to these and other Government publications significantly.

Bookstores Improved

GPO's bookstores have long served as an important direct link between Government information providers and consumers. A key to the continued success of the bookstores is their location. Unfortunately, many are located in Federal buildings or other facilities that do not provide visibility or convenient public access. To address this problem, the Kansas City, Philadelphia, and Birmingham bookstores were relocated to attractive commercial sites. As a result, bookstore sales have increased markedly. Gradual implementation of our bookstore plan will result in 44 bookstores within four bookstore regions by the end of FY 1995. In FY 1989, the plan calls for one new bookstore, four relocations, and one renovation.

Sales Offerings Expanded

GPO's information distribution programs have been expanded in other ways as well. Last year we inaugurated the sale to tax practitioners of Internal Revenue Service tax forms, a venture which has proven highly successful. In response to growing public demand, we also expanded GPO's offerings to include the sale of select publications in electronic format, including the Congressional Record, the Federal Register, the Code of Federal Regulations, the Statistical Abstract, and other popular titles. This effort marked a significant step forward for GPO.

Marketing Efforts Continued

On taking office, I moved GPO's Marketing Office under the direct supervision of the Superintendent of Documents. Since then, GPO has continued its successful publications marketing program to increase public awareness of and access to Government information. This program utilizes the "U.S. Government Books" catalog as its leading promotional vehicle. Other methods, including print and broadcast public service announcements, television advertisements, and direct mail flyers are also employed. GPO marketing professionals now assist our customer agencies in the design stage to assure effective post-publication promotions.

Marketing efforts have also increased the public's awareness of GPO's Depository Library Program. Once characterized as "America's best-kept secret," this program provides the public with free access to the most comprehensive collection of Government information available through approximately 1,400 libraries Nationwide. Equally as important, it serves as an information "safety net" for Government information consumers.

Mail Lists to be Released

GPO will soon offer to the public a variety of its most popular mail lists containing the names and addresses of Government information consumers. The initial offering will comprise 35 mail lists, and the number of lists could increase depending on public demand. These lists will be available in magnetic tape format or printed out on cheshire or pressure-sensitive labels. The names and addresses of consumers who do not wish to be included on the lists will be deleted prior to release, at their request.

Electronic Dissemination to Depository Libraries

In cooperation with the Joint Committee on Printing, GPO is currently exploring opportunities for utilizing electronic information dissemination technologies to service depository libraries. Since both the House and Senate Legislative Branch Appropriations Subcommittees recommended deferring the funding of pilot projects until the completion of the Office of Technology Assessment's long-range study of Federal information policy, we have not requested specific funding for this purpose for FY 1989. However, it should be possible to accomplish certain projects in this area with little or no additional funding. If the Appropriations Subcommittees agree, we propose to fund the continued exploration of this concept out of the request we have submitted for FY 1989.

Publications Sales Abroad

To further expand sales of Government publications, GPO has developed new markets overseas. We are coordinating this effort with the United States Information Agency's U.S. Books Abroad program, whose objective is to provide foreign publics with the broadest possible exposure to democratic ideas and institutions through American literature.

Beginning with the Frankfurt International Bookfair in 1985, GPO has worked to establish non-exclusive distributorships with indigenous book importers, wholesalers, retailers, and publishers. Since then, firms in Italy, Canada, and Great Britain have begun offering GPO sales titles. Discussions have been held with importers in Saudi Arabia, France, Spain, and West Germany, and an import company owned by the government of the People's Republic of China has agreed to make GPO books available to Chinese libraries and universities. In addition, we have displayed GPO books at USIA book exhibits around the world, including bookfairs in Frankfurt, Moscow, Madrid, Cairo, New Delhi, Manila, Mexico City, and Buenos Aires. In cooperation with USIA, GPO will continue to participate in future international bookfairs worldwide.

Dialup Composition Implemented

Modernizing GPO's production capabilities has been a key objective in our program to rationalize GPO's business methods and practices. In 1985 we abolished the remnants of GPO's hot metal composition section, closing out a

125-year old chapter in the history of pre-press technology at GPO and completing our transition to electronic photocomposition.

Since then we have made a number of modifications and improvements to our pre-press capabilities. We have established a fully automated electronic job shop, equipped with state-of-the-art technology and capable of processing all job work suitable for interactive or operator-modified composition. We have implemented a full-text, on-line retrieval capability for the Congressional Record Index, providing up-to-date video display and hard copy printouts of the desired information accurately and instantaneously. We also have installed fiber optic communications links with selected Congressional offices to transmit data files between Capitol Hill and GPO.

A major accomplishment was the recent inauguration of an on-line "dialup" composition service which gives our customers access to GPO's composition system in their own offices. Using this system, keystrokes are captured by the customer on a microcomputer and transmitted to GPO over ordinary telephone lines. The keystrokes are automatically composed, returned to the originator, and printed out in proof form on a non-impact printer. This system allows the user to maintain complete control over content, format, and database maintenance, and reduces the production cycle for initial proofs from a week or more to as little as an hour or two, depending on document size. It also provides the user with a logically-structured database that can be used in a variety of other applications, including indexing, extracting, and data retrieval. GPO introduced dialup composition to the Federal Aviation Administration in 1985. Since then, the concept has spread successfully to several Congressional and Federal agency offices, and has been exhibited at trade and computer shows in the Washington, DC, area.

Press and Bindery Improvements

Over the last 3 years we have also undertaken an extensive campaign to modernize GPO's press and bindery areas, particularly in our postal card and passport production areas. We recently installed a new five-color offset press that will produce approximately 600 million postal cards each year. To meet new technical and security requirements for passports, we have installed an entirely new passport production line. The passport binding process, formerly a highly labor-intensive function, now features a machine which gives GPO the capability to produce over 5 million passports annually with a minimum of manual intervention. This system embodies state-of-the-art electronic technology, offers a number of new security features, and produces a higher quality product than previous methods.

In addition to these improvements, GPO has proposed the purchase of two new offset web presses to replace its four web letterpresses that have been dedicated to the production of the Congressional Record and the Federal Register for over 30 years. This proposal is necessary to take advantage of recent improvements in our pre-press area, and its fulfillment is essential to our pressroom modernization plans.

Alternative Inks Explored

The conference report on H.J. Res. 395, making continuing appropriations for FY 1988, requires GPO to conduct an economic and technical feasibility study of printing the Congressional Record and the Federal Register with soybean oil-based inks. A report is due back to the House and Senate Appropriations Committees by June 30, 1988. In November 1987, GPO conducted a test of an ANPA (American Newspaper Publishers Association)-licensed soybean oil-based letterpress ink on the web letterpresses which are used to print the Record and the Register. The test was unsuccessful due to the markedly different rheology of the specific ink tested. An ANPA-licensed manufacturer of soybean oil-based inks is in the process of preparing new inks to match GPO's rheological standards, and further tests are now planned.

Vehicle Leasing Plan Approved

To reduce costs I proposed that GPO consolidate its fleet of vehicles with those of the General Services Administration (GSA), under GSA's Fleet Management Program. This proposal was based on studies conducted by GPO and GSA which indicated that consolidation would generate increased economies in terms of reduced operating costs, ensuring a more modern fleet, and providing for more frequent vehicle replacement. This consolidation proposal has recently been approved by the Joint Committee on Printing.

Physical Plant Improvements

We have taken a number of steps to improve the condition of GPO's aging Central Office complex. We initiated an on-going, agency-wide clean up program to improve the appearance of GPO's public areas, manufacturing operations, and offices. This program in particular has had a positive impact on employee morale. GPO's cafeteria area has been rehabilitated and modernized, and GPO's Harding Hall auditorium--the site chosen by the Administration for the public release of the U.S. Budget since 1986--has been restored to its original condition. Other historical features of GPO's buildings have also been restored, including the unique WPA-character of GPO's Building 4 warehouse, which now houses GPO's postal card/passport operation.

Other improvements have included window and roof replacements to reduce energy losses, on-going work to rehabilitate GPO's aging elevators, and the completion of a new fire alarm and suppression system. A new consolidated office complex was constructed to house the operations of GPO's Inspector General. In addition, special attention has been paid to upgrading building security, including strengthening entrance barriers and establishing an Emergency Command Center equipped with an Integrated Emergency Management System.

New Management Information System

The philosopher Alfred North Whitehead once observed that "the art of progress is to preserve order amid change and change amid order." To fulfill the first part of Whitehead's dictum, I proposed the development of a system for providing GPO's managers with accurate, meaningful, and timely data on the status of our operations. The result was GPO's Executive Information System (EIS), featuring hundreds of separate graphics which are accessible via computer terminals located in every manager's office. Like the information systems used throughout Government and industry, GPO's EIS has enhanced the timeliness and quality of decision-making at GPO. Consistent with my intention to improve information availability within GPO, we also reorganized GPO's data systems area into a new Office of Information Resources Management, providing increased attention to office automation, telecommunications, and database management.

Office of Innovation and Development

To "preserve change amid order," I directed the establishment of an Office of Innovation and Development (OID) to evaluate the application of new techniques and processes to GPO operations. OID's mission is to apply original thinking to the improvement of GPO's product and service options and reduce the time span between the emergence of new technologies in the marketplace and their introduction to GPO. OID has explored the application of laser disk, voice synthesis, flexographic, and other technologies to GPO, and prepared standing guidelines for the expansion of GPO's electronic service options to both Congressional and Federal agency customers.

Inspector General Functions Upgraded

When I arrived at GPO I found that the Office of the Inspector General (IG) was understaffed, inadequately quartered and lacking the resources necessary to wage an effective battle against waste, fraud, and abuse. Since then, the IG's staff has been increased and consolidated in a new office area, enabling it to pursue an aggressive program of audits and investigations leading to civil and/or administrative remedies in a number of criminal prosecutions. To further support this effort, I have submitted legislative proposals to give GPO's IG the same administrative tools available to Inspectors General in the Executive Branch.

Establishment of Advisory Groups

Since 1985, GPO has strengthened and broadened its contacts with the printing and publishing industry and other outside interests. In addition to the Depository Library Advisory Council, which advises GPO on the operations of the Depository Library Program, we have renewed GPO's participation in two key Government bodies: the Federal Publishers' Committee and the Interagency Council on Printing and Publishing Services. These committees provide GPO with valuable input on GPO's services as well as an opportunity to increase GPO's exposure to customer agencies.

We also established an Academic Advisory Council to the Public Printer, drawing together faculty members from selected printing management schools around the Nation to provide advice on technology research, explore industry trends which may influence the educational requirements for GPO employees, and examine the future direction of the graphic arts field. In connection with the Council's Spring 1988 meeting, GPO will co-host with the Department of Education a joint Government/printing industry symposium on the problem of illiteracy in America, with the objective of devising methods to minimize its impact through cooperative literacy programs.

GPO has also maintained its long-standing membership in the National State Printing Association (NSPA), an organization of printing and publishing officials drawn from state governments, universities, industry, and foreign government printing establishments for the purpose of promoting efficiency in government printing operations. GPO will host the 1988 NSPA conference to be held in Washington, DC, in September 1988.

Expanded International Contacts

In recognition of the benefits that are obtainable through interaction with other government printing operations, GPO has focused increased attention on foreign government printing offices. We established a GPO Exchange Visitor Program, conducted in cooperation with USIA under the authority of the Mutual Educational and Cultural Exchange Act of 1961. As a result, GPO has participated in reciprocal exchanges of government printing personnel with Her Majesty's Stationery Office (U.K.) and the New Zealand Government Printing Office, and has hosted numerous visits from personnel from a wide range of other nations.

1988 International Government Printers' Conference

In June 1988, GPO will convene a conference of government printers from around the world in Washington, DC. The 3-day International Government Printers' Conference will provide a forum for the free exchange of information on problems common to government printing worldwide and generate discussion on technological and managerial strategies for promoting operational efficiency. GPO has received a substantial number of commitments to attend, indicating that the 1988 conference will be among the largest gatherings of government printers ever assembled. The conference will include discussion of the establishment of a permanent international association of government printers, an initiative pursued by GPO in cooperation with the government printers of Great Britain, West Germany, Canada, and Australia.

Community Involvement

One of the most satisfying achievements of my tenure has been our program to match GPO's resources with the needs of the surrounding community. Drawing on the remarkable spirit of generosity found in the GPO workforce, GPO's Community Outreach effort has attracted the attention of other Federal agencies, the news media, and community leaders.

Pursuant to a cooperative agreement between GPO and the DC Metropolitan Police Department, the Department and GPO have matched needy District youths with GPO employees in a Civic Partners program, and linked impoverished families with "adoptive" GPO offices which provide voluntary year-round support for food, clothing, and household necessities. Other efforts have provided for the summer employment of District youths at GPO, the "adoption" by GPO of a local high school, a literacy assistance program, joint GPO/District recreational activities, and job assistance. Just as GPO's employees give readily of themselves to fulfill their job demands, they are also willing to give of themselves to help those in need.

Relations with the Joint Committee on Printing

Under the provisions of Title 44, oversight of GPO is exercised by the Joint Committee on Printing, which serves as GPO's Board of Directors. Unfortunately, this authority provides substantial opportunities for the micromanagement of day-to-day GPO operations by the JCP and its staff. This is a responsibility that is specifically delegated by law to the Office of the Public Printer, who is required to "take charge of and manage" GPO operations.

For the last 3 years, however, relations between the JCP and the Office of the Public Printer have steadily improved to become more cooperative and harmonious. At our request, the previous limitation on GPO's authority to make capital investments without the approval of the JCP has been relaxed, as have the procedures for securing such approvals. Through continued cooperation with the JCP, I will continue to work for the further restoration to this Office of the appropriate degree of management authority over daily GPO operations.

GPO/NTIS Consolidation Proposed

In 1987, I testified before the Subcommittee on Science, Research, and Technology of the House Committee on Science, Space, and Technology, regarding proposed legislation to improve the dissemination of Government scientific and technical information. As an alternative to current proposals for the future of the National Technical Information Service (NTIS), including a plan to turn NTIS operations over to the private sector, I proposed the assumption of NTIS operations by GPO's Superintendent of Documents. Action on this proposal has been deferred pending the completion of the Office of Technology Assessment's long-range study of Federal information policy.

From a functional perspective, there currently is little substantive difference between the missions and operations of the Superintendent of Documents and NTIS. Both were established to distribute Government information to the public. While GPO sells many popular works, about 65 percent of the titles in our Sales of Publications Program are scientific and technical in nature. That percentage is even higher for the Depository Library Program. The major differences between the two agencies are in the Superintendent of Documents' larger size, the extent of its aggressive marketing effort, and the marked financial success of its distribution programs.

Land Acquisitions and Planned Space Improvements

In 1985, GPO purchased a triangular lot west of the Central Office complex for $1 million. Although the lot has been used for parking, investment in the land for the future use of GPO was the primary purpose for the acquisition in view of recent increases in the value of real estate in the immediate area. GPO has also obtained Congressional authority to purchase the lot south of the

Central Office complex, and we expect to close on that purchase in 1988.

Despite their age, GPO's buildings generally are comparable to those used by the commercial printing industry. The majority of private sector firms are housed in buildings more than 30 years old, many without the load factors required for the printing process that GPO's buildings feature. Moreover, the Central Office complex is located close to its customer base and, because of its multiple stories, occupies far less acreage than would be required for a single level in-line plant. However, space limitations in the present buildings continue to restrict efficient materials handling operations and production equipment alignments, and require the use of satellite facilities in the metropolitan Washington, DC, area for additional warehousing and office space.

To eliminate the costs associated with these problems, GPO plans to construct additional facilities contiguous to the Central Office complex. The new building will house operations presently located at GPO's Springbelt, VA, and Union Center Plaza sites, provide for more efficient press and bindery equipment alignments, and improve materials handling. For FY 1989, we are requesting authority to expend up to $500,000 for the design of a new building. Beyond this effort, continued attention to the consolidation and realignment of GPO's operations will be required in the coming years to reduce costs and promote more efficient utilization of manpower, equipment, and materials.

Economy Act Waiver Necessary

In the meantime, I need to request another waiver of the provisions of the Economy Act of 1932 as they apply to GPO. The Act limits expenditures for alterations, improvements, and repairs of leased premises to 25 percent of the first year's rent. To house its regional and Central office satellite facilities, GPO has entered into several long-term leases with renewal options which are financially advantageous to the Government. However, we have reached or are fast approaching the 25-percent limitation for these properties based on the amount of the rent for the first year of the lease.

Consequently, in order to comply with the Act, GPO must request Congress to waive the application of the 25-percent limitation or forego alterations that are relatively inexpensive but critical to operational improvements of the leased properties. For FY 1988, we requested and received a waiver to spend $55,000 to improve operations at the Union Center Plaza and Laurel, MD, facilities. For FY 1989 we are requesting a waiver for $282,000 for further improvements to these facilities, primarily to upgrade Laurel operations, including work associated with the distribution of Internal Revenue Service tax forms.

Request For Authority to Dispose of Property

The plot of land located immediately north of GPO's Building 4, which GPO presently leases to provide parking for employees, has recently been sold by the District of Columbia Government. The Metropolitan Washington Council of Governments has purchased the property and intends to construct a building for its use. To maximize this development, one of the parties associated with the Council of Governments has expressed an interest in acquiring the small, undeveloped parcel of land owned by GPO which abuts the development site to the east. The parcel, located at First Street and G Place, NE., is approximately 5,528 square feet. Since I do not have authority to dispose of this property without Congressional authorization, I request that the following language be included in the bill as a general provision:

> Subject to the approval of the Joint Committee on Printing, and without regard to any other provision of law, the Public Printer is authorized to dispose of the parcel of land identified as Lot 884, Square 677, in such manner and on such terms and conditions as he determines to be in the best interests of the government.

Employment Ceiling Should be Eliminated

I have continued to urge the elimination of the statutory ceiling on GPO employment levels contained in the authorizing language for GPO's Revolving Fund since FY 1986. Although the application of the ceiling has been changed from "employees" to "full-time equivalents," it is my opinion that this ceiling is unnecessary and could impact long-term GPO operations adversely.

Total GPO employment has been declining markedly for the last several years through a continued policy of attrition, and the targets set by the annual ceilings would have been achieved anyway. GPO is now approaching the point beyond which personnel reductions are not likely to be as dramatic as those achieved over the last decade, and we are already beginning to experience staff shortages in certain craft areas. Moreover, one of the basic advantages of GPO's Revolving Fund mechanism--the flexibility to adjust resource levels to match demand for services--is compromised by the imposition of the ceiling.

Elimination of the ceiling is particularly necessary in GPO's printing procurement and Superintendent of

Documents areas, where it may become critical for us to expand capacity on short notice in order to handle a major shift of work from Federal agencies to GPO. In particular, GPO would need relief from the ceiling to absorb approximately 375 full-time equivalents if legislation is enacted to transfer the employees and functions of NTIS to the GPO.

Amendments to Title 44 Proposed

In coordination with the JCP, I am requesting changes to the Revolving Fund language contained in Section 309 of Title 44 of the U.S. Code. These changes include the provision to allow GPO to pay certain expenses of the Superintendent of Documents out of the Revolving Fund (this apparently was overlooked when the Sales of Publications Program was made a Revolving Fund program in 1978); and a provision to transfer the Reimbursable Mailing and Distribution Program into the Revolving Fund. Some other minor changes to bring Section 309 up to date are also requested. The revised Section 309 would read as follows:

§ 309. Revolving fund for operation and maintenance of Government Printing Office: reimbursements and credits; accounting and budgeting; reports

(a) The revolving fund established July 1, 1953, is available without fiscal year limitation, for:
the operation and maintenance, including the rental of buildings, of the Government Printing Office, except for those programs of the Superintendent of Documents which are funded by specific appropriations;
attendance at meetings;
maintenance and operation of the emergency room;
uniforms, or allowances therefor, as authorized by section 5901 of Title 5;
boots, coats, and gloves;
repairs and minor alterations to buildings; and
expenses authorized in writing by the Joint Committee on Printing for inspection of Government printing activities.

(b) The fund shall be:
reimbursed for the cost of all services and supplies furnished, including those furnished other appropriations of the Government Printing Office, at rates which include charges for overhead and related expenses, depreciation of plant and building appurtenances, except building structures and land, and equipment, and accrued leave;
credited with all receipts including sales of Government publications, waste, condemned and surplus property, reimbursements from the public distribution of publications authorized under section 1701 of this

title, and with payments received for losses or damage to property; and

charged with payment into miscellaneous receipts of the Treasury of that part of the receipts from the sales of Government publications required by law.

(c) An adequate system of accounts for the fund shall be maintained on the accrual method, and financial reports prepared on the basis of the accounts. The Public Printer shall prepare and submit an annual business-type budget program for the operations under this fund. This budget shall be considered and enacted as prescribed by section 9104 of title 31.

(d) The Comptroller General shall audit the activities of the Government Printing Office at least once every 3 years and shall furnish reports of such audits to the Congress and the Public Printer. For these purposes the Comptroller General shall have such access to the records, files, personnel, and facilities of the Government Printing Office as he considers necessary.

Flexitime Authority Requested

To provide GPO's professional and non-crafts personnel with the same work shift options enjoyed by other Federal employees, I have proposed the implementation of flexitime work schedules at GPO. As a Legislative Branch agency, GPO was not included in the flexitime legislation of a few years ago. Since 1986, we have submitted legislative proposals to correct this oversight, and we will continue to urge their consideration by Congress.

Impact of FAR Revision Negligible

In 1987, Federal Acquisition Circular 84-25 was published in the Federal Register as an amendment to the Federal Acquisition Regulation (FAR). The Circular removed the requirement in Title 44 that Executive Branch agencies obtain advance approval from the JCP prior to producing their own printing in-house or procuring printing themselves from the private sector. The revision was based on an opinion by the Justice Department that the JCP approval requirement is unconstitutional in light of the Supreme Court's decision in INS v. Chadha invalidating the legislative veto. Subsequently, an amendment was attached to the omnibus Continuing Resolution for FY 1988, requiring all Federal agencies to comply with the provisions of Title 44, nullifying the impact of the FAR revision for that fiscal year.

From a purely analytical perspective, the FAR revision is not a sound policy approach. It would establish a decentralized system of Government printing that is inconsistent with the legislative intent of Title 44. Decentralization of in-house facilities would raise the

Government's printing costs substantially, while a decentralized procurement capability would almost certainly decrease competition in contracting as well as also increasing cost. In addition, this system would jeopardize the ability of GPO's Sales of Publications and Depository Library Programs to provide effective public access to Government information, and would impede the Government's ability to fulfill treaty commitments in the operation of GPO's International Exchange Program.

It is my view, however, that most of our customer agencies will continue to use GPO for their printing and distribution needs because of our proven record of providing quality printing services at the best price possible. In fact, following the announcement of the FAR revision, I received several letters from GPO's customer agencies that business would continue to be conducted with GPO as usual. Events since then have supported these assurances. Therefore, I am not persuaded that the FAR revision will have a negative impact on GPO operations, as long as GPO continues with the management program we have implemented over the last 3 years.

Alternatives to Non-Essential Facilities Proposed

Since my appointment, I have continued to voice my concern over the existence of non-essential Executive Branch printing, duplicating, and information dissemination facilities, while offering cost-effective alternatives to these inefficient operations.

A 1983 survey by the Office of Management and Budget identified approximately 850 Executive Branch printing/duplicating facilities operating within the United States. For the most part, these facilities are engaged in routine administrative work that can be purchased from commercial printers at about half the cost of in-plant operations.

In my opinion, there is no justification for the Government to retain work in-house that can be accomplished more efficiently by the private sector. Accordingly, I have proposed that Congress and the Executive Branch reduce the number of these plants by diverting the work to GPO's printing procurement operation. GPO has in place a Nationwide network of 14 regional printing procurement offices, supplemented by six satellite offices, that is capable of meeting the increased printing and duplicating requirements resulting from this initiative, and would be able to make the necessary adjustments to its operations to accommodate the increased workload with little difficulty.

I have also proposed an alternative to the way that much of the Federal Government's information is disseminated. Although GPO's Superintendent of Documents programs constitute the single largest resource for the distribution of Government information, a study conducted by GPO in 1983 identified a substantial number of other information dissemination activities and programs, most of which are located in the Executive Branch. Many of these activities use methods to disseminate Government information that duplicate, to varying degrees, the programs and capabilities of the Superintendent of Documents.

The potential for overlap and duplication of effort among these activities is considerable, as is the potential for generating contradictory distribution policies and confusion among information consumers. Indeed, the existence of these activities is inconsistent with the Executive Branch's own regulations governing information dissemination, found in OMB Circular A-130, which requires Federal agencies to distribute information products and services "in the manner most cost-effective to the Government."

To remedy this problem, I have called attention to GPO's Superintendent of Documents programs as a viable alternative. These programs provide an existing infrastructure for the economical dissemination of Government information that already enjoys a high degree of public visibility as a Government information resource. Our recent experience with the assumption of information dissemination programs from agencies impacted adversely by Gramm-Rudman-Hollings demonstrates that GPO can expand its distribution programs without diminishing service. I believe that there is even more that can be done in this area, and I will continue to promote GPO as a cost-effective alternative to these duplicative operations to reduce this needless burden on the taxpayer.

Participation in OTA Study

Since 1985, GPO has been participating in a long-range study concerning the impact of new technology on Federal information policy. The study is being conducted by the Office of Technology Assessment at the request of the Joint Committee on Printing, the House Committee on Science, Space, and Technology, and the Subcommittee on Government Information, Justice, and Agriculture of the House Committee on Government Operations. The study is expected to be completed later this year.

As outlined in OTA's research plan, the objectives of the study are to:

-provide an understanding of the opportunities and problems presented by advancing electronic technology as applied to printing and the dissemination of Federal information by GPO and other Federal agencies;

-develop a picture of how GPO, other Federal agencies, and the private sector are currently using or planning to use electronic technology and electronic formats as well as paper formats in electronic dissemination;

-develop an understanding of the needs and problems of Federal information users and their current, planned, or desired use of electronic technology, and use of electronic formats as opposed to paper formats; and

-identify and analyze a range of institutional and policy options for applying the technology and meeting user needs.

I have fully endorsed the study and have committed GPO resources to assist OTA. Given the significance of the issues that are being addressed by this important effort, I look forward to the final study product with the hope that it will contain practical, feasible options for improving the provision of Government information products and services.

Financial Policy and Planning Function Established

Recently, I created a new executive-level position at GPO. The Assistant Public Printer (Financial Policy and Planning) will serve as GPO's chief financial officer, with responsibility for coordinating the establishment of Office-wide financial policy, planning, and analysis, including the preparation of GPO's budget and capital investment priorities and the development of annual and out-year revenue and spending targets.

I believe that this is a propitious time for the establishment of a financial policy and planning function at GPO. For the last 3 years our management program has focused on remedying previously intractable institutional problems, requiring an immediate effort to correct GPO's operational deficiencies. Today, GPO's industrial base is sound. GPO's focus now must turn to optimizing future operations, and to seizing new and advantageous proposals--such as those that may be contained in the final OTA study product--as they arise. GPO's financial policy and planning area is needed for this crucial task.

GPO's Commitment to Progress

Historically, GPO is an agency which has consistently demonstrated an ability to overcome the challenges of the future. Since its creation in 1861, GPO has surmounted the difficult problems imposed by additional statutory responsibilities, war-time demand, economic depression and recession, the tremendous growth of the Federal Government, technological advancements, and the changing policies of successive Administrations. In 1986, we celebrated GPO's 125th anniversary, an event which was as prospective as it was retrospective, because in truth we celebrated GPO's continuing determination to move forward as much as we did the successes of its past.

The challenges that confront GPO today, however, are significantly different from those it has faced before. Until recently, GPO rode a tide of unprecedented expansion in the Federal Government. Today that tide has begun to ebb. Instead of the continued promise of ever-increasing funding, cost-effectiveness, efficiency, and economy must be the guiding principles of GPO's operations for the foreseeable future. Beyond this new era of fiscal constraint lies a more serious challenge. Because of continuing advancements in computer and telecommunications technologies, the information reproduction and dissemination industries face a period of unrelenting technological upheaval every bit as revolutionary as Johann Gutenberg's invention of movable type over 500 years ago. As the Federal Government's single most important resource for information products and services, GPO must become a leader of this revolution or else become one of its casualties.

Throughout my tenure at GPO, I have repeatedly emphasized that our management program is designed to sustain and enhance GPO's record as an agency committed to progress. The achievements of the last 3 years have made a significant contribution to that record, and the proposals we have made for further action offer realistic opportunities for additional improvement. In my judgment, GPO today is in a good position to address the challenges of fiscal constraint and technological change effectively. Leaner, modernized, and more productive operations have already passed the test imposed by mandatory budget reductions, providing expanded product and service options while generating substantial net income for the Government and the taxpayer. While much remains to be done, I believe that GPO has made a strong beginning on the road to the future.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to the Office subsequent to the hearing:]

QUESTIONS SUBMITTED BY THE SUBCOMMITTEE

Question. Under the Miscellaneous Printing and Binding heading, you are requesting $11.2 million. This represents a 19-percent increase over the current year allowance for letterheads, envelopes, blank paper, wall calendars and other forms and binding. Please provide a breakdown of the major items which account for the increase in this category.

Response. A list of the major items which account for the increase in the category of Miscellaneous Printing and Binding for fiscal year 1989 follows:

MISCELLANEOUS PRINTING AND BINDING
(dollars in thousands)

	Estimated Cost		
	FY 1988	FY 1989	Increase
Letterheads	$1,600	$1,700	$100
Envelopes	1,100	1,200	100
Blank Paper	1,200	2,000	800
Miscellaneous Forms	200	400	200
Marginally Punched Continuous Forms	100	300	200
Special Binding	550	600	50
Other Miscellaneous	4,670	5,036	366

Question. Who receives the letterheads, envelopes and blank paper provided here?

Response. A list of the recipients follows:

SELECTED ITEMS INCLUDED IN MISCELLANEOUS PRINTING AND BINDING
RECIPIENTS AND FY 87 BILLINGS

Senate	Blank Paper	Envelopes	Letterheads	Total
Senate	$ 105	$ 590,560	$535,465	$1,126,130
Secretary of the Senate	77,162	1,086	---	78,248
Agriculture, Nutrition, & Forestry	265	---	---	265
Appropriations	715	427	---	1,142
Armed Services	574	349	---	923
Banking, Housing, & Urban Affairs	199	---	---	199
Commerce, Science, & Transportation	3,035	---	---	3,035
Finance	15	---	---	15
Foreign Relations	1,683	263	---	1,946
Governmental Affairs	552	---	---	552
Energy & Natural Resources	343	---	---	343
Judiciary	1,127	380	---	1,507
Labor & Human Resources	1,203	332	---	1,535
Environment & Public Works	343	944	---	1,287
Democratic Policy	1,360	303	---	1,663
Republican Policy	2,911	---	---	2,911
Small Business	1,184	---	---	1,184
Special Committee on Aging	264	---	---	264
Select Committee on Ethics	37	---	---	37
Veterans' Affairs	1,055	444	---	1,499
Legislative Counsel	825	---	---	825
Sergeant at Arms	1,612,399	1,810	6,577	1,620,786
Budget	511	858	---	1,369
Select Committee on Conduct of Special Operations in Iran and Nicaragua	2,732	1,066	---	3,798
Select Committee on Intelligence	222	---	---	222
Select Committee on Indian Affairs	958	---	---	958
Total, Senate	$1,711,779	$598,822	$542,042	$2,852,643

SELECTED ITEMS INCLUDED IN MISCELLANEOUS PRINTING AND BINDING RECIPIENTS AND FY 87 BILLINGS - Continued

	Blank Paper	Envelopes	Letterheads	Total
House				
House of Representatives..............	$ 495	$ 574,824	$1,065,363	$1,640,682
Clerk of the House....................	70,633	4,116	408	75,157
Appropriations........................	42		---	42
Armed Services........................	---		705	705
Banking, Finance, & Urban Affairs.....	---	223	---	223
Education & Labor.....................	---	---	1,305	1,305
Administration........................	45	396	---	441
Foreign Affairs.......................	77	---	---	77
Energy & Commerce.....................	69	---	3,641	3,710
Government Operations.................	152	---	1,203	1,355
Judiciary.............................	---	201	---	201
Science & Technology..................	---	1,131	---	1,131
Small Business........................	15	---	---	15
Veterans' Affairs.....................	15	---	---	15
Commission on Security and Cooperation in Europe.........................	276	---	---	276
Legislative Counsel...................	---	354	---	354
Select Committee on Hunger............	---	---	419	419
Total, House..........................	$ 71,819	$ 581,245	$1,073,044	$1,726,108
Miscellaneous				
Architect of the Capitol..............	$ 15,717	---	---	$ 15,717
Joint Committee on Printing...........	117	---	---	117
Total, Miscellaneous..................	$ 15,834	---	---	15,834
GRAND TOTAL...........................	$1,799,432	$1,180,067	$1,615,086	$4,594,585

Question. Your budget submission is based on an increase in the per page cost of the Congressional Record of nearly $100 to $580 per page in FY 1989. Why such an increase?

Response. The increase in the overall page rate from $484 in FY 1988 to $580 in FY 1989 is due to several factors. The cost of providing a new daily Index is included in FY 1989. Also, we are projecting a decline in the number of Daily Record pages, but an increase in the number of Bound Record pages, due to timing differences in the two publications. This tends to increase the overall page rate for the program which is calculated based on Daily Record pages. Also, pay raises and a ten-percent increase in the cost of newsprint have increased production costs. The following table is a breakdown of the per-page cost of the Congressional Record Program based on Daily Record pages:

COMPARISON OF COMPONENTS IN
THE CONGRESSIONAL RECORD PROGRAM

	Congressional Record Rates Based on Daily Record Pages		
	1988	1989	Diff.
Congressional Record Program...	$484	$580	$96
Bound Congressional Record.....	110	138	28
Daily, Index, and Indexers.....	374	442	68
Daily Congressional Record.....	324	340	16
Congressional Record Index.....	26	62	36
Congressional Record Indexers..	24	40	16

The per-page costs are calculated on 37,000 Daily Record pages for FY 1988 and 31,000 Daily Record pages for FY 1989.

Question. A total of $14.6 million is requested for printing and reproduction to provide publications for the Depository Library and International Exchange Programs. What types of materials are included in this request?

Response. The requested depository library printing funds will provide for the printing of Government documents and reports, some in paper format and some converted to a microfiche format, for distribution to designated depository libraries in accordance with section 1903 of Title 44, U.S.C. The funds requested for International Exchange printing provide for the paper and microfiche copies necessary to fulfill distribution to International Exchange Libraries that are procured as a rider to GPO requisitions for titles already being printed or converted to microfiche for distribution to depository libraries.

Question. Please explain the marketing and administrative postage item under Depository Library Distribution. What activities will this support, how much is in the base for this item? Why isn't the marketing activity considered part of the advertising budget?

Response. This represents the amount of promotional postage requested by the Office of Marketing for mailings that they will make in an attempt to increase public awareness of the Depository Library Program in FY 1989. The amounts for postage and advertising are maintained in separate object classes in conformity with OMB Circular A-11. Only those funds that will be used to procure the goods and services necessary to carry out advertising in support of the various Documents programs are included under advertising.

Question. Under cataloging and indexing an additional request is made of $82,000 for other contractual services. How much is contained in the base for this amount and what are the additional sums needed for?

Response. Every four years the publications, maps, diazo microfiche, silver master microfiche, and second generation silver microfiche that have been collected during the previous Presidential term for the permanent collection must be sorted, filed, and boxed for transfer to the National Archives. The cost of performing this function on the materials collected for cataloging purposes from 1985 through 1988 will be $80,000 in FY 1989. The remaining money will go towards a contractor to provide sign language interpretation service for the hearing impaired employees who work in support of the Cataloging and Indexing Program.

Question. Printing and Binding operations shows a reduction of seven positions. Where are these positions taken?

Response. The total reduction of seven full-time equivalent workyears in FY 1989 is in administrative overhead areas and is distributed as follows:

Executive Offices	1
Administration	5
Human Resources	1
Total	7

Question. Despite the reduction in staff, an increase of $90,000 is requested in overtime. How much is in the base for this item, and why is an increase required?

Response. The total estimated amount for overtime included in the budget base for FY 1988 is about $13.2 million. Overtime is required when it is necessary to deliver a job in a short time notice and, many times, under abnormal working schedules, such as over a weekend. Although it is difficult to estimate the amount of overtime that the Office will be required to work, the projected amounts are based on historical costs, workload projections, and pay raise increases. These factors result in the estimated increase of $90,000 for FY 1989, or less than one percent.

Question. At the end of FY 1987, you were at 5,176 employees. Do you feel that you have reached a plateau, or further reductions possible?

Response. We feel that we have reached an overall staffing level which we should not go below. This is mainly because we have shortages in certain skill categories, such as Keyboard Operators, Proofreaders, Pressmen, and Bookbinders. We have started to hire craftsmen to replace those we are losing.

Question. Please explain the increase of $2,313,000 in depreciation under Equipment, etc.?

Response. The increase of $2,313,000 in depreciation expense for FY 1989 over FY 1988 in Printing and Binding Operations represents the effect of FY 1989 expenditures to be capitalized, in addition to the effect of FY 1988 purchases which were only depreciated for a portion of that year, but which will be depreciated for a full year in FY 1989. Projected purchases include two 32-page, two-unit, web presses, two 35 x 50 double unit-web offset presses, and an upgrade to our IBM 3081 computer.

Question. Under Sales of Publications Operations, an increase of $349,000 is requested for commercial and GSA office rent. How much is in the base for this item? Apparently, none of this amount is related to inflation, how much is for new bookstores and how much for additional office space, and where?

Response. The base for this item is the FY 1988 General Sales Program Budget for GSA Rent, and Office and Storage Space, which totals $2,261,000. The $349,000 program-level increase is to pay for the additional space expenses for new and relocated bookstores and a slight shift in the portion of Pueblo expenses to be absorbed by the Sales Program. The plan at the time of submission called for the opening of a new bookstore in Crystal City, Virginia, plus a full-year's cost for a new bookstore to be opened in Portland, Oregon during the latter part of FY 1988. Planned relocations of the Pittsburgh, Houston, and Denver bookstores will also contribute to this increase. It should be noted, however, that any such plan for the bookstores contains a high degree of uncertainty, which could bring change to the plan at any time.

Question. There are increases in postage and contractual mail service, please explain the need for these increases and what each term means (i.e., General Sales Postage, Contractual Mail Service, Marketing Postage, Administrative Postage)? Also include the amount in the base for each.

Response. General Sales Postage is the expense category used for United States Postal Service mailings of sales items to customers. The amount requested is mostly to cover the price level increase that the anticipated postal rate increase will demand. The base amount is $7,400,000. Contractual Mail Service is the expense category used for United Postal Service (UPS) mailings of sales items to customers. We have found that it is less expensive to use UPS in shipping to certain areas of the country. An increase for inflation of $33,000 is included above the base amount of $681,200. Marketing Postage is the expense category used for the mailing of promotional flyers and mailers. The base amount is $121,200. Administrative Postage is the expense category used for miscellaneous mailings, responses to inquiries, and general administrative correspondence. The base amount is $356,100.

Question. On page V-I of the justification material, you have included a table which displays total revenue and its various sources. For years 1986 and 1987, what were total expenses and net income, if any? How are these funds used?

Response. On page V-I of the justification material, the table displayed represents the revenue generated from Printing and Binding Operations of the Revolving Fund. This revenue is used to pay for those expenses incurred by the Fund as authorized by section 309 of Title 44 U.S.C. A small net income is generally necessary to fund replacement of capital equipment. The Total Expenses and Net Income for FY 1986 and FY 1987 are as follows:

	Revenue	Expenses	Net Income
FY 1986	$768,405,000	$765,075,000	$ 3,330,000
FY 1987	804,522,000	793,070,000	11,452,000

Question. What are your estimates for fiscal years 1988 and 1989 for total revenue and net income (loss)?

Response. The estimated total revenue and net income for the Printing and Binding Operations in FY 1988 and FY 1989 as reflected in the Appendix of the President's Budget are as follows:

	Revenue	Expenses	Net Income
FY 1988	$840,399,000	$840,399,000	---
FY 1989	874,718,000	874,718,000	---

Question. On page V-3 you are expecting distribution of certain documents to be reduced in FY 1989. What is the basis for this estimate and will any cost savings result? If so, please give details.

Response. The decrease shown on page V-3 between the number of publications to be distributed to depository libraries in FY 1989 compared to FY 1988 actually represents a regular distribution that will remain fairly constant from FY 1987 through FY 1989. As a result of contract problems in FY 1987, a huge backlog of publications to be distributed will be cleared up in FY 1988 through a new contract, which inflates the total for FY 1988. Some of this deferred distribution will carry over into FY 1989. Because the regular workload will remain about the same as the previous year, no significant cost savings will be possible in FY 1989.

Question. Last year you indicated there were 850 Government printing and duplicating facilities with a work force of over 8,000 personnel throughout the United States. Has the number of Government operated printing facilities changed since last year? What savings have accrued as a result of these changes?

Response. Nothing has come to our attention since last year which would indicate any appreciable change in the number of Government-operated printing facilities.

Question. In your opinion, how many of these printing facilities can be eliminated and at what savings?

Response. In my opinion, the bulk of these facilities could be phased out. The agencies could order this printing from the GPO who in turn would contract for it from the private sector, at substantial cost savings. The excess plants are a waste of the taxpayers money and present an excellent opportunity to reduce the Federal budget deficit without any reduction of Government programs or services.

Question. Will it take leadership from the Congress, perhaps including legislation, or can it be done through administrative actions?

Response. Yes. Congress should consider appropriate language specifically designed to reduce the Federal Agencies' dependence on in-plant printing and duplicating facilities. Furthermore, agencies should be encouraged to seek their requirements through the competitive printing procurement system which GPO has in place.

Question. I understand that Federal agencies have begun to procure publications in electronic format, such as CD-ROM, through the Government Printing Office. If these new formats are provided to depository libraries, is this a process that will cost the Government less money?

Response. There are definitely potential savings if the publishing agencies take advantage of the large storage capacity on a disk. This may require putting more than one publication on a disk. Savings would result because the Library Programs Service would only have to distribute one item, rather than multiple ones; there would be far less postage cost; and the added cost of producing duplicate copies of a CD-ROM is substantially less than the cost of paper copies containing a comparable quantity of data. An example of potential savings, is the Bound Congressional Record for which it is estimated that CD-ROM format distribution would cost substantially less than either paper or microfiche copies.

Question. I understand that depository libraries have volunteered to receive about 60% of their publications in microfiche rather than paper, with substantial savings to the Government. Since September 1987, few publications have been provided to the selecting libraries because of a quality problem with the contractor. Specific legal questions aside, what actions are you taking to fulfill your obligations to the depository libraries and to the public?

Response. The GPO is actively pursuing the new contracts that are necessary to not only resume regular microfiche distributions, but also to bring delayed distributions up to date. During the interim period we have taken action to keep the depository libraries fully apprised of the situation through updates published in "Administrative Notes," which is delivered to each depository library.

Question. Do you have personnel shortages in the blue collar craft areas? What are you doing to resolve those shortages? How is this affecting your operations?

Response. Personnel shortages do exist in blue collar craft areas and we are proceeding with actions to resolve those shortages.

- We hired 20 temporary Video Keyboard Operators--18 of which have now been converted to career status.

- We intend to hire 20 additional temporary Video Keyboard Operators, to be filled on an as-needed basis, eight of which have entered initial training.

- We intend to hire 30 Proofreaders, to be filled on an as-needed basis. We anticipate advertising to fill ten of these positions before the end of April, 1988.

- We intend to provide training to 21 employees to become Journeyman Bookbinders. Eleven trainees are scheduled to enter initial training March 28, 1988.

- We intend to establish an increased number of Apprentice positions, as follows:

10	Video Keyboard Operators
15	Proofreaders
8	Offset Pressmen

Operations are affected primarily by the inability to staff all necessary equipment on a full-time basis. A degradation in the quality of products is sometimes experienced because of the increased number of trainees.

Question. The Office of Technology Assessment has been studying the technology and policy implications of Federal information dissemination. They propose a Government Information Office to combine the current operations of GPO and the National Technical Information Service (NTIS) at Commerce, that the Administration wants to sell to the private sector. I understand that you support this concept, why?

Response. We support the consolidation of NTIS into the Government Printing Office in its present form. GPO and NTIS have many similarities. Like NTIS, the GPO sells scientific and technical information generated by the various agencies of the Federal Government, in hard copy, microfiche, and magnetic tape. NTIS's products are specialized while GPO's are more general in nature. Since the information dissemination missions of the two agencies are essentially the same, the two agencies should become one.

A merger could offer some economies of scale primarily in the areas of financial management, data processing, marketing, microfiche, deposit accounts, and the preparation of data tapes. Consolidating NTIS with GPO would result in better public access to information. The public would be better informed on what information is available and how it can best be obtained. This is because NTIS's reports would be promoted by GPO's high-visibility approach to marketing and would be made available in the GPO's nation-wide network of Government bookstores.

Question. How would the printing of the Congressional Record be handled?

Response. Since this merger would only affect the GPO Documents area, and not the Printing and Binding Operations, no changes in the printing of the Congressional Record would result.

Question. In last year's Legislative Branch bill, we included a provision that requires Executive Branch agencies who wish to procure commercial printing services to go through GPO, as they have in the past. Is that working out satisfactorily?

Response. The limitation on Executive Branch printing procurement delineated in Section 309 of the Legislative Branch Appropriations Act of 1988 was a response to changes to the Federal Acquisition Regulations (FAR), Subpart 8.8, effective July 1, 1987. These changes included requiring only that agencies advise the Joint Committee on Printing of their intent to procure printing from other than the GPO or to establish a printing operation/procure printing equipment; formerly, these actions required JCP approval.

In our discussions with printing officers at the time, it did not appear that there was a compelling need to counteract the FAR changes, at least in the short term. For example, one printing officer, in a covering memo to a copy of his Department's internal instruction on the subject, wrote: "As stated, the entire Department will continue to use GPO. We are not in a position to - and - we never will be." Similar sentiments were expressed at a meeting of the Interagency Council on Printing and Publications Services. One printing officer noted that GPO procures printing more efficiently than his agency's procurement people buy products in their own field of expertise. The representative from Navy, on the other hand, welcomed action because some field activities were expressing a desire to bypass Defense Printing Service. The Army representative argued against the 105 percent limit on agency printing plant growth that was deleted from the final version. It may be significant to note that there was no discussion of this provision at the February meeting of the Interagency Council.

Since it has been less than three months since enactment, it is impossible to determine empirically whether this provision has been effective in serving its intended purpose, or whether the action was necessary. However, it should be noted that the previous limitation on procuring nonrecurring printing without reference to GPO has been raised from $500 to $1,000. Since the bulk of our orders fall into this dollar range, it is conceivable that agencies may take advantage of this provision, although none has yet moved in that direction.

Question. What, in your opinion, is the state of GPO facilities, do we need to make an effort to modernize GPO's plant and equipment?

Response. We have made substantial improvements in the status of plant and equipment. Just last year we began operation of modernized passport and postal card production equipment. We also have recently constructed a modern office suite for the Inspector General's staff, and renovated the GPO cafeteria for use by employees. We have made improvements through elevator renovation, asbestos removal, replacement of windows, fire protection, security and pollution control. However, a substantial continuing investment will be required to properly maintain the Central Office Complex, such as roof and elevator repair and replacement. There remains a major upgrade required in the press area where we have established the goal to develop a "press room of the future". This will include the replacement of the web presses that are used to print the Congressional Record, in addition to realignment of press operations and a general shift from sheet-fed to offset web presses.

Question. We periodically get complaints about mistakes in the Congressional Record. How many complaints do you get from members in a year?

Response. Members and staffs complaints total no more than eight or ten a year. Of course, many corrections are received, from many sources, highlighting corrections or changes which are incorporated into the Bound Record. In addition to the latter, 75 to 100 requests per year are honored requesting new proofs due to changes/errors.

Question. I believe that you have changed the method of proofreading the Record, has that helped or hindered accuracy?

Response. The method of proofreading for almost all work, including the Congressional Record, changed on February 1, 1986, from "team" reading to "silent" or "single" reading. In an effort to curtail the introduction of typographical errors at their source, steps were taken to insure the implementation of both quality and quantity standards for keyboard operators as well as proofreaders.

While some benefits from these changes are still to be realized, quality assessment surveys conducted to date reveal that there has been no degradation in the quality of proofreading as a result of the changes. At this same time however, we have experienced a dramatic increase in proofreader productivity.

The method used for collecting and measuring proofreader production is presently being modified to allow machine-readable input to an automated proofreader measurement/standards system. Fully operational status of this system is expected to further improve the quality of proofreader output as well as our ability to closely monitor and manage it.

Question. At last year's hearing you indicated that you were awaiting approval of your request to replace the presses that are used to print the Congressional Record. What is the current status of that request?

Response. Since last year's hearing, we received approval from the Joint Committee on Printing to purchase two new 96-page offset web presses. However, the JCP later rescinded this approval. We have requested that the authorization be re-established and are currently awaiting a decision from the JCP on this request.

Question. I understand GAO recently concluded a survey of how Federal agencies perceive the GPO. Have you received the results of that survey? Can you give us a brief synopsis of the findings?

Response. I am especially pleased to report that customer agencies gave GPO high marks for quality, timeliness, and cost-effectiveness in the GAO's recent "Survey of Federal Agency Information Needs and Practices." In view of the survey's methodology and scope, we regard the findings as a fair representation of how our customers perceive GPO's products and services. In effect, the findings validate GPO's continuing efforts to provide timely, high quality, low cost information services for Federal agencies in an increasingly competitive Government information environment.

At the request of the Joint Committee on Printing (JCP), and in cooperation with the Office of Technology Assessment (OTA), the GAO conducted this survey as part of the on-going, long range OTA study entitled "Technology, Public Policy, and the Changing Nature of Federal Information Dissemination." The survey was distributed to Information Resource Managers throughout the Federal Government in June 1987. GPO was not a survey respondent. GAO received a total of 173 agency responses (114 civilian agencies, 48 independent agencies, and 11 defense agencies). The survey results were tabulated by GAO and released in January 1988. The results were incorporated into a draft OTA paper, "Federal Information Dissemination Policy, Oversight, and Operations--Including the Roles of GPO and NTIS" (Dr. Fred B. Wood, January 22, 1988), pp. 2-25.

Among other questions, the GAO survey asked respondents to identify the institutional mechanisms they use to disseminate Government information they publish, and to specify the primary format (i.e., paper, microform, electronic) for each mechanism identified. Sixty-five percent of all respondents indicated they use GPO's

Superintendent of Documents programs (excluding the Depository Library Program) for information dissemination, second only to their own dissemination mechanisms, and that paper is the primary GPO dissemination format. Another 52 percent also utilize the Depository Library Program.[1]

The survey further requested respondents to indicate their satisfaction with the various dissemination mechanisms they use. Specifically, the survey asked respondents to rate each mechanism in terms of quality, timeliness, and cost for typical agency reports (i.e., 50-100 pp., typeset, some graphics, specified deadline). The comparative data for paper products disseminated by GPO are shown below (normalized to 100 percent):[2]

QUALITY

Institution	Very Good	High	Moderate	Low	Very Low
GPO/SuDocs	20.9	56.9	19.4	1.4	1.4
Depository Library Program	19.3	44.2	34.6	---	2.0

TIMELINESS

Institution	Very Great	Great	Moderate	Some	Little or No
GPO/SuDocs	9.5	31.6	45.2	10.9	2.8
Depository Library Program	14.8	26.0	50.0	3.8	5.5

COST

Institution	Very Good	High	Moderate	Low	Very Low
GPO/SuDocs	6.9	23.2	61.6	8.3	---
Depository Library Program	1.9	7.5	56.6	11.4	22.6

The survey requested additional evaluation detail for a variety of other GPO products and services. The results indicated that the majority of the 114 civilian agency respondents are satisfied or very satisfied with GPO publications layout, composition, printing quality, printing timeliness, binding, cataloging, marketing/ sales, distribution, and depository library services. The results are shown below (normalized to 100 percent):[3]

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[1] Source: "Federal Information Dissemination Policy, etc." OTA, pp. 14-15.

[2] Source: OTA, pp. 15-16.

[3] Source: OTA, p. 17.

	Percentage of Agencies Rating GPO Service		
	Satisfied	Neutral	Dissatisfied
Publications layout	77.9%	12.1%	10.0%
Composition	81.6	10.7	7.7
Printing quality	80.0	12.2	7.9
Printing timeliness	66.7	17.8	15.6
Printing cost	50.0	36.1	13.9
Binding	74.1	19.7	6.2
Cataloging	72.9	24.3	2.8
Marketing/sales	57.8	26.4	15.8
Distribution	67.1	21.9	11.0
Depository library service	79.0	19.2	1.8

For all respondents (civilian, independent, and defense agencies), the following breakdown was developed by GAO:[4]

EVALUATION OF GPO SERVICES
(by those using the services)

GPO-Provided Information Products or Services	Satisfied or Neutral with GPO Service		
	Civilian	Independent	Defense
Publications layout	90.0%	92.6%	100.0%
Composition	92.3	97.0	100.0
Printing quality	92.2	90.9	100.0
Printing timeliness	84.4	79.6	90.0
Printing cost	86.1	65.9	81.8
Binding	93.8	95.4	100.0
Cataloging	97.3	100.0	100.0
Marketing/sales	84.2	90.3	100.0
Distribution	89.1	90.6	87.5
Depository library service	98.3	93.3	100.0

Question. As you know, Congress is bound by last year's budget summit agreement to hold discretionary spending growth in FY 89 to two percent above FY 88. The budget request you present here today requests a substantially greater increase, and I am sure you realize your request will be reduced. Are you prepared to work with this subcommittee to develop an overall request limited to two percent growth over FY 88? I assume that would involve a combination of offsetting revenues from sales and reductions in new budget authority.

Response. As indicated in the Public Printer's General Statement, the increase over fiscal year 1988 is primarily to fund new products or expanded services to Congress. However, we are willing to work with the subcommittee to reduce our request. In addition, $11.4 million in net income from the Sales Program is available to offset some of the requirements in the Salaries and Expenses Appropriation.

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[4] Source: GAO, General Government Division, summary of survey results presented to the Federal Publishers Committee, January 1988.

SUBCOMMITTEE RECESS

Senator REID. The subcommittee will stand in recess until 2 o'clock this afternoon.

[Whereupon, at 11 a.m., the subcommittee was recessed, to reconvene at 2 p.m. the same day.]

(AFTERNOON SESSION, 2 P.M., THURSDAY, MARCH 17, 1988)

The subcommittee met at 2 p.m. in room S-128, the Capitol, Hon. Dale Bumpers (chairman) presiding.

GENERAL ACCOUNTING OFFICE

STATEMENT OF HON. CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE UNITED STATES

ACCOMPANIED BY:

- **MILTON J. SOCOLAR, SPECIAL ASSISTANT TO THE COMPTROLLER GENERAL**
- **IRA GOLDSTEIN, ASSISTANT COMPTROLLER GENERAL FOR OPERATIONS**
- **RICHARD L. BROWN, CONTROLLER**

PREPARED STATEMENT

Senator BUMPERS. The hearing will be in order.

Good afternoon, Mr. Bowsher. I have an opening statement to insert in the record and then we will start with you, OK?

[The statement follows:]

STATEMENT OF SENATOR BUMPERS

The committee will come to order.

This afternoon the Subcommittee on the Legislative Branch completes its inquiry into the fiscal year 1989 budget estimates of the support agencies serving Congress.

We are pleased to have the Comptroller General of the United States, Charles Bowsher, and the Librarian of Congress, Dr. James Billington with us this afternoon

Mr. Bowsher, it is a pleasure to welcome you back before the committee to present the fiscal year 1989 request of the General Accounting Office. We have your full statement, which will be made a part of the record and I would ask that you summarize it. You may proceed.

Senator BUMPERS. Senator Grassley, did you have an opening statement that you wished to make?

Senator GRASSLEY. No.

Senator BUMPERS. Please proceed, Mr. Bowsher.

Mr. BOWSHER. Thank you very much, Mr. Chairman.

We have a fairly lengthy statement, which I would suggest be inserted in the record, and I will just summarize it, if that is acceptable to the committee.

Senator BUMPERS. By all means.

[The statement follows:]

STATEMENT OF CHARLES A. BOWSHER

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss GAO's budget request for fiscal year 1989. The Justification of Estimates/Fiscal Year 1989, which you already have, describes our request in detail.

We are requesting $393,864,000 to fund 5,200 average positions. About twenty-seven percent of the $64 million increase over the fiscal year 1988 appropriation is to meet mandatory pay and related costs ($11.17 million) and price level changes ($6.06 million). About forty percent of the increase is for a 100-average-position increase ($5.74 million) and other program enhancements ($19.67 million). The balance of 33 percent ($21.4 million) is for the purchase of much needed equipment ($14.4 million), alterations to modernize the GAO Building ($6.4 million), and purchase of telecommunications services ($0.6 million).

The Congress is faced with some very difficult tradeoff decisions as we attempt to get the federal deficit under control. It is during these times that GAO can make its most valuable contribution. A strong GAO comprising well qualified, highly motivated personnel equipped with modern audit and evaluation tools will be of critical importance to the Congress for the next several years.

In fiscal year 1987, over $18 billion was saved as a direct result of GAO's work. We are proud of this record and will continue to do everything we can to ensure that GAO contributes in the most substantial way possible. But we are concerned that without adequate resources we will not be able to meet the demands placed upon us by the Congress at a time when you need our services the most.

The currently funded staffing level has remained essentially unchanged since 1981. Although we believe that the optimum staffing level for the agency is around 5,500, we are only requesting an incremental increase of 100 average positions in fiscal year 1989 to help offset the increasing demands placed upon us through legislatively mandated work and increased congressional request activity.

The volume of job requests from committees and members, as well as requirements established legislatively, continues to grow. GAO was assigned 26 specific jobs by the Continuing Appropriations Resolution for 1988 and the 1987 Budget Reconciliation Act alone. In addition, the conference reports on these 2 bills require another 11 new jobs and indicate future requests for 6 more.

The level of GAO resources devoted to direct assistance to the Congress has risen every year since 1981 and reached 82 percent in FY 1987. This is good news for GAO, for it indicates that our work continues to be valuable to you. However, at the 82 percent level, GAO is losing its capacity to shift resources from work initiated pursuant to GAO's basic legislative responsibilities to congressional request work, and we are being forced to curtail undertaking some congressionally requested work.

We nevertheless need to maintain some flexibility for planning and conducting some part of our work under our basic legislative responsibilities so that important areas which GAO itself identifies as needing investigation can be addressed. This work also helps us maintain staff continuity and expertise on the wide variety of important issues GAO must be prepared to address throughout the world and enhances our capability to respond quickly and expertly when congressional requests are received.

There also has developed a backlog of assignments waiting for resources, and it is growing. We will do everything we can to meet these demands, including seeking the assistance of committee chairmen to help in prioritizing the congressional requests in areas where we have overloads, and moving of resources wherever possible.

We believe that during these difficult fiscal times we need the capability to be responsive and more productive. In FY 1987, we issued 767 reports of which 626 or 82 percent were issued at the request of committees and members. We testified before House and Senate committees 161 times. We believe these efforts contributed significantly to helping the Congress deal with critical, and often urgent issues, and we are anxious to maintain the capability of providing the level of support that is necessary to meet all congressional needs.

Building Strong Resources

In order to maintain this capability, we need to be able to continue to hire more of the excellent people we have attracted to work on important issues for the Congress. We need to have the resources to make sure that these people get the proper training to supplement their strong academic skills and to provide the proper work environment, which can foster maximum effectiveness and efficiency in the development of reports and other products for the Congress.

An efficient, highly motivated workforce becomes more important to us as we continue to meet increasing demands to do more with less. We need to find better ways of compensating our staff and recognizing them for outstanding achievements. We need to be able to give them a modern, safe and healthy office environment and necessary ADP and telecommunications tools. At the same time, we recognize the need to do everything we can to improve our productivity with what we already have. We are investigating every avenue available to us to control our costs and to minimize the amount of dollars that we must request of the Congress. Some of these efforts involve seeking ways to reorganize our field structure to gain greater efficiencies and flexibility in staff assignments. We are now reviewing the locations of those Washington, DC audit sites which are not physically located with the agency being evaluated or in the GAO building. We believe that we could realize significant savings by moving many of these sites into the GAO building and eliminating the rent we now pay for these remote locations.

Additionally, I announced on March 4 the dissolution of our Washington (DC) Regional Office and the reassignment of Washington Regional Office staff to our 7 program and technical divisions to strengthen management accountability and flexibility. This will significantly enhance efficiency by reducing supervisory overhead. Direct control of the centralized resources to plan and conduct our work in the Washington area now resides in the divisions responsible for that work.

We have also instituted an Operations Improvement Program to enhance the efficiency and effectiveness of our work. Currently, there are 153 operations improvement projects in five broad areas: (1) responsiveness to congressional needs; (2) timeliness and quality of our work; (3) efficient use of resources; (4) staff motivation and skills; and (5) working cooperatively as a GAO team.

We share your concern, Mr. Chairman, that taxpayer money be used to maximize government productivity, and especially GAO's, and we value the support you have given us in these efforts in the past. We intend to continue to support the Congress with the highest quality work using whatever resources the Congress can make available. Also, I want to express my appreciation for the opportunity we will have in the coming year to support Congress' legislative and oversight efforts to maintain and improve the efficiency, economy, and effectiveness of government programs.

Highlights of GAO Work

Since we last appeared before this committee, we have addressed many issues of considerable importance to the Congress and provided much valuable information to Members of Congress to help deal with a wide variety of complex and difficult problems. Some of the many visible issues on which we have provided assistance are: the continuing problems with our nation's budget and trade deficits, insider trading on Wall Street, the Iran/Contra controversy, the deteriorating financial condition of the federal savings and loan industry and the Farm Credit System, the medical malpractice controversy, defense affordability issues, financial services industry issues, and the stock market crash. There are, of course, many others. But I would like to outline our accomplishments and plans on these few.

--Reducing the Deficit

During FY 1987, the government continued to struggle with the twin problems of a budget deficit and the international trade deficit. With no quick or easy solutions to these problems in sight, the threat posed by these deficits will have serious consequences for our future standard of living and the defense capability of our nation. GAO continued to play an important role in advising the Congress through reports and testimony on ways of dealing with the deficits.

In dealing with the federal government's budget deficit, GAO recommended ways the government can perform essential functions at lower costs. During this era of limited resources, GAO suggested specific ways to improve efficiency or to manage resources more carefully. In addition, GAO played an important role in identifying budget items which can be delayed or eliminated without crippling programs.

As the trade deficit continued to increase this past year, the U.S. became the world's largest debtor nation. A national policy debate on the causes of and solutions for the deficit intensified. The debate focused on the development of trade legislation. GAO was at the forefront of this debate, warning against unwarranted protectionist policies and posing ways to strengthen U.S. trade laws.

To respond to unfair foreign trade barriers, GAO identified many ways to strengthen government efforts to combat such practices. For example, GAO suggested ways to improve government efforts to stop imports of counterfeit goods, enforce U.S. rights under international trade agreements, and combat foreign subsides for agricultural exports. The omnibus trade legislation includes many of GAO's suggestions.

GAO will need to play a key role in assisting the Congress and providing members with information and analysis across a broad range of programs and issues. We will be ready to meet that challenge.

--Monitoring Insider Trading

Last year Wall Street was shaken by one of the largest insider trading scandals in its history--involving officials at highly respected securities trading firms engaging in sophisticated market manipulations. At the request of Congress, GAO began in 1987 to evaluate methods of detecting and investigating insider trading.

We pointed out that the Securities and Exchange Commission and the exchange self-regulatory organizations invested millions to develop sophisticated computer surveillance systems to detect suspicious trading activity.

We evaluated the initiatives taken by the self-regulatory organizations and the SEC to improve their operations and are assessing the overall systems from a management and accountability standpoint. We also are studying special difficulties created for regulators when traders use international securities markets and banks to conduct their business.

--The Iran/Contra Affair

Government accountability continues to be an important theme of GAO's work, especially in the wake of the Iran/Contra Affair, the investigations of which focused attention on the continuing dilemma confronting the government concerning how to safeguard national security within our consitutional system of checks and balances. GAO played a major supporting role to the Senate and House Select Committees investigating the affair. We found, in one of our examinations, that controls over humanitarian aid provided to the Contras were extremely lax. In another report, GAO documented the arms sales to Iran.

Following the Iran/Contra hearings, legislative proposals for increased oversight were developed. Bills introduced in the Senate and House would provide GAO with greater access to records of the Central Intelligence Agency to assist the Congress in striking an appropriate balance between secrecy and accountability.

We are requesting twenty-five additional average positions to intensify our efforts in government accountability. These efforts encourage agencies to use uniform and consistently applied accounting and reporting principles. They also encourage agencies to develop and maintain accounting and internal control systems which produce complete, reliable, and timely information on the results of operations for use by agency and congressional decisionmakers.

--Helping the Nation's Lending Institutions

GAO continued in FY 1987 to examine the financially troubled banking and Farm Credit systems. The financial positions of the Federal Savings and Loan Insurance Corporation (FSLIC) and the Farm Credit System continued to deteriorate in 1987. Through reports and testimony, GAO detailed the developments that led to the current financial crises of both institutions.

In recommendations to the Congress, GAO championed a need for prompt recapitalization of FSLIC. In 1987, Congress passed legislation allowing the insolvent FSLIC to sell $10.8 billion in bonds. Concerning the Farm Credit System, Congress designed a plan, incorporating many of GAO's proposals for correction of accounting practices, that would create an independent oversight board and an insurance fund.

--Dealing with Medical Malpractice Problems

One of the most debated public policy issues affecting the delivery of health care services in the U.S. is medical malpractice. Over an 18-month period, we issued a series of reports examining the causes of the current malpractice crisis, which is characterized by a continuing increase in the number of claims, and the size of malpractice awards and settlements as well as rapid growth in malpractice insurance premiums.

GAO recommended actions by all groups affected--physicians, lawyers, hospitals, insurers, and patients--to improve the efficiency, predictability, and equity of the way medical malpractice claims are resolved. We identified appropriate changes in state tort laws and suggested viable alternatives to the tort system. We identified the extent to which regulatory agencies have and use information to make decisions about insurers' rates and solvency, and suggested better ways to educate patients as to what their expectations should be from the health care system.

To focus debate and interest at the federal, state, and local levels and to generate the actions needed to collectively address medical malpractice problems, GAO also produced a 10-minute video, which is a new way GAO is selectively communicating the results of some of its work. The video was distributed to governors, state legislators, and interest groups having the capacity to act on malpractice problems and was shown via closed-circuit television to members of the Congress and their staffs.

--Defense Affordability

In 1987 GAO continued to report on the widening gap between Pentagon spending plans and the budgets available to finance them. GAO played a major role in support of congressional efforts to control defense spending without weakening the nation's military strength. GAO also continued to conduct reviews of defense budget submissions, acquisition practices and weapon systems programs.

For fiscal year 1989 we are requesting twenty-five additional average positions in the defense area to provide more coverage on defense procurement matters, military personnel issues, and military readiness/sustainability. The increase is needed to respond to increasing congressional needs relating to areas such as the feasibility of technology to build and deploy strategic defense programs; cost, schedule, and performance of civilian space programs; concerns over the management of DOD's covert programs; issues which adversely affect DOD's ability to negotiate fair and reasonable prices and protect against unreasonable contractor costs; and monitoring and evaluating implementation and impacts of the Goldwater-Nichols Defense Reorganization Act of 1986. This act affects almost all aspects of DOD--including strategic and contingency planning, acquisition, the military command structure, personnel policies, staffing levels, and the organization of the Military Department headquarters.

--Financial Services Industry Issues

We were asked by the Congress to perform exhaustive studies of two major financial services industry public policy issues in fiscal year 1988. The first review involved a comprehensive response to questions posed to us on how to best protect bank safety and soundness, avoid conflicts of interest and regulate international banking operations if the Congress repeals the Glass-Steagall laws that have separated the banking and securities industries for the past half century. This work required the collective efforts of a number of the GAO's senior staff to produce a report within an extremely tight two-month timeframe. Congressional testimony was presented on this report in mid-February.

--Stock Market Crash

The second review involved an exploration of the causes of the stock market crash of October 1987 and resulted in a January 1988 report of preliminary observations on ways to lessen the effects of major changes in investor psychology on markets should the events repeat themselves. This work had to be completed within two months and required the mobilization of 40 individuals from a number of GAO organizations, as well as a panel of experts to assist us in our work. Our preliminary report was only the first step in a process that will involve the long-term commitment of GAO personnel to assist the Congress in resolving some of the more complex questions raised by the market crash. We have testified before several congressional committees on this report and are planning to issue additional products later in the year.

Overall, the focus of GAO work in the financial institutions area has been on significant national issues that face the Congress. Our work has been more responsive to congressional needs than ever before in providing analysis of complex financial issues. We expect a continuing increase in demand in the coming year to provide the Congress with these types of insights because of the extremely dynamic nature of the entire financial services industry and the need for the Congress to continuously reconsider the regulatory approach it wants to take.

In the light of potential changes in the banking industry arising from Glass-Steagall amendments, the recent turbulence in the securities markets industry, and the need to assess ways to improve regulation as well as the need to assess how to best deal with the savings and loan industry, we are requesting for FY 1989 twenty-five additional average positions to respond to strong congressional interest in the soundness of the financial services institutions and markets. The financial services industry is facing crises in the thrift industry, the commercial banking system, and the domestic and international securities markets and exchanges.

Requested Increase in Staffing

In summary, then, we are requesting congressional approval of another 100 average positions for fiscal year 1989 to meet the increasing demands placed upon us.

This represents a modest increment needed to effectively respond to the volume of congressional requests and congressionally mandated requirements. We are requesting 25 additional average positions in the defense area, 25 to expand the number of audits of agencies' financial statements, and 25 to examine the soundness of the financial services institutions and markets. We are also requesting 25 additional average positions to help meet defined objectives in reviews of complex government-wide ADP and telecommunications programs. The increase will help us in responding to the increased level of congressional interest in the issues related to these areas.

We recognize that the Congress is faced with some difficult funding decisions this year, and authorizing an increase in staffing may prove difficult. But I believe our request is justified especially when we consider the role GAO plays in identifying opportunities for billions of dollars in improvements in the operations of government programs. As I mentioned earlier, our measurable dollar savings in 1987 were over $18 billion. This is a significant achievement for us, and I want to express my thanks to this committee and the Congress for the support that has made it possible.

Governmental Accounting Standards Board

In FY 1989 we will be making our final payment to the Governmental Accounting Standards Board. I want to thank the committee for its support of the full implementation of this Board. We are optimistic that the Board's goal of developing uniform standards for state and local governments will be helpful to federal agencies as well. We intend to adopt some of the Board's rules as part of our regular process of setting federal accounting standards so that all levels of government in the United States will be able to use the same accounting standards and principles.

Pay-for-Performance

During last year's hearings I mentioned that we were moving ahead with planning for a pay-for-performance system for our evaluator and evaluator-related staff. We are continuing to do so, and I am even more convinced today that through an improved compensation system we can both enhance productivity and better compete for the kind of talent we need to do the Congress' work.

I firmly believe GAO's greatest strength is its staff's competence, dedication, and enthusiasm. We need to find ways to recruit, retain, and motivate highly qualified people with these characteristics. This is especially challenging under the lower growth conditions in today's environment. We are developing a pay-for-performance system which bases employee rewards on job performance more than longevity and promotes the most effective and efficient use of our human resources.

Operating in a low-growth environment for some time, we have worked diligently on improving our internal systems to maximize staff motivation in that environment. To provide that motivation, we need pay and classification systems that expand staffing flexibility, and allow our staff and managers to directly influence pay through job performance. We believe that our pay-for-performance proposal will provide these benefits. For example, the existing within-grade pay system bases pay changes largely on time-in-grade. Our new performance-based system will not use time-in-grade pay increases. Instead, we will directly relate pay changes to performance and capability. Recently, we discussed our plans with the staff of several congressional committees including our Appropriations and Oversight Committees.

Because we will eliminate a basic part of the existing system, we need to make a one-time adjustment to compensate our staff for their pro-rata share of within-grade pay increases. For example, if a staff member had earned one-half of a within-grade pay increase at the time we change systems, we would compensate the employee for that pro-rata share. This one-time expenditure will permit our entire staff to begin the new system on an equal basis and will prevent an inequity for those who have earned a share of a within-grade pay increase. The total cost of this one-time adjustment would be $976,000.

We recognize the change from the current system to a more appropriate and flexible system will be a significant event for many of our staff. Consequently, we have involved all of our employee groups and many of our managers and staff in developing the final design of our system. We are confident that with their help and insight we will ensure that all views and perspectives are adequately represented and that our final system design will be the best in the government.

Modern Technical Support for Evaluators

As we have examined ways to improve the efficiency and enhance the productivity of our professional staff, it has become apparent that their use of modern ADP and telecommunications tools is essential. We must recruit more staff who have been trained in the use of computers and telecommunications tools. GAO needs to provide an adequate number of these tools for their use. However, at the present time, we do not have enough microcomputers for our staff. There are frequently waiting lines to use the equipment, and there are delays in processing data for many of our jobs due to equipment insufficiency.

If we are able to obtain funding to implement our long range Information Resources Management Plan, we can provide our staff with microcomputers at their workstations which can be tied into a mid-level processor through a modern telecommunications network. This equipment configuration will provide our staff with the data processing and communications capability that we need. Regions will be able to share data with headquarters and vice versa, organizations working on a job will be able to share files, and we will be able to analyze very large data files without incurring the programming and set up time--not to mention cost--of a mainframe computer. This is the way efficient organizations work today.

Our people are acquiring the skills to use this technology much faster than we are able to provide it, and they are forced to do their work in less efficient ways. They often become frustrated by the resulting inefficiencies and loss of productivity. Also, as our people become more computer-literate, we are finding that they need access to computing capability that goes beyond what a microcomputer can provide. Job methodologies require the use of larger computing capabilities, and we need to provide a mid-level ADP resource to our people that will let them run jobs too small for a mainframe computer but too large for a microcomputer.

Our long range Information Resources Management Plan also provides for the integration and consolidation of our administrative systems. We have identified the Department of Agriculture's National Finance Center (NFC) in New Orleans as the best host site for many of our administrative systems, and are currently working with NFC personnel on several systems. By taking advantage of NFC's capabilities we believe that we can achieve considerable efficiency while avoiding cost escalation experienced at contractor facilities. Our supply system will be operational at NFC in FY 1988, and we are beginning work on transferring our Property System to New Orleans. Transfer of our Personnel/Payroll processing to their facility should be completed by the end of FY 1988, with full operation to begin in FY 1989. We are also considering the development and operation of our Assignment Management and Tracking System at NFC. This system provides important status information on all GAO jobs and is currently run by a contractor. Our ultimate objective is to consolidate as many of our administrative systems as possible at the National Finance Center in New Orleans.

Telecommunications Initiatives

In the telecommunications arena, we worked with the Architect of the Capitol and other Legislative Branch agencies in the development of the Legislative Branch Telecommunications Network Plan, issued in December 1987. The plan sets the stage for GAO to meet its telecommunications requirements within the framework of Legislative Branch systems. This plan is the first step toward final definition and implementation of a telecommunications system that will meet present needs and provide flexibility for future growth. In FY 1989 we are requesting funding for contractor assistance to complete necessary studies called for by the plan, as well as for the subsequent procurement of a telecommunications system for the GAO headquarters building.

Modernizing the GAO Building

In the early seventies GSA initiated a project to renovate the heating, ventilating and air conditioning system in the GAO Building. That project was modified in the 1980s to remove health-threatening asbestos. Our building has over 35 miles of asbestos-composition duct work as well as other asbestos materials in areas such as pipe & wire closets and some ceilings. The air ducts in the building are actually made of asbestos; they are old and becoming "friable"--that is they are decomposing and crumbling--creating an urgency to remove them from the building. We are on top of the problem and are most concerned about protecting the health and safety of our people. GSA has removed asbestos from the 1st, the 7th, and half of the 2nd floors. Smaller abatement projects have been completed in the basement and sub-basement. Also, asbestos abatement is almost complete on the top floor where the air handling and air-conditioning systems are located.

But our progress has been much too slow, because we must compete for funding from GSA and OMB with all other projects in the national capitol area. Mr. Chairman, this project has already been underway for more than 15 years, and if we cannot do something to speed it up, it will still be unfinished 8 or 10 years from now. We have worked with GSA on the problem and have agreed that if we were to transfer ownership of the GAO building to GAO, we would stand a much better chance of achieving our objectives. Right now we are paying GSA over $19 million per year for rent of the GAO building. If we owned the building and could use that money to maintain it and to remove asbestos, we are convinced that we could complete the project much more quickly, with corresponding cost savings to the government. Right now GSA is planning to spend about $12 million in FY 1989 on the Asbestos Removal Project. No money has been earmarked for FY 1990, and we don't know whether we will be able to proceed or not when OMB and GSA make FY 1990 spending decisions.

Additional efficiencies could be realized if we ran the program. Staff efficiency gains would be made. Additionally, under the current program GSA is funding asbestos removal, and we have to fund space restoration costs once the asbestos has been removed. Having one contractor, working for GSA, taking out asbestos and another, working for us, restoring the space adds time and cost to the entire project. We believe that if we can get control of the building and have one contractor responsible for the entire project, we can achieve our objectives sooner and for less overall project cost than we can now.

As space is restored following asbestos removal, we are anxious to renovate it so that our people can have use of desktop microcomputers and telecommunications systems in a safe, pleasant, and efficient work environment. Air conditioning and electrical systems will be upgraded to support the use of microcomputers in evaluator work stations, and we are confident that, when complete, the GAO Building will provide a highly professional work environment with the necessary tools available for our people to do the best work possible.

Amending GAO's Appropriation Language

Since fiscal year 1976 GAO's appropriation language has authorized $5,000 for official representation. These funds are used to cover representation expenses with foreign visitors, officials from state and local governments, and experts and consultants who assist and advise GAO on a wide range of issues. We have not had an adjustment to this account since 1976 to cover inflationary impact on representation expenses. The Consumer Price Index has risen 100 percent since 1976. We are requesting a modest increase of $2,000 in this authority.

We are also asking for funds that can be used for planning the 1992 Congress of the International Organization of Supreme Audit Institutions, which is composed of my counterpart officials in countries all over the world. This Congress meets every 3 years, and this will be the first time that United States will have been the host country. Much work will have to be done to arrange for all the necessary details of such an event. This authorization will permit us to move forward.

Annual Report

GAO's 1987 annual report includes the financial statements for the office, audited by Price Waterhouse & Co. Additionally, it incorporates commentary on GAO's ongoing efforts to improve its operations and internal controls, similar to that required of executive branch agencies by the Federal Managers Financial Integrity Act. Is my hope that eventually every major federal government agency will issue a similar annual report with clear and understandable financial information. Such reports would assist the Congress in its oversight role and inform the American taxpayer about agency operations.

Conclusion

This year we are requesting the resources to meet the growing volume of requests from the Congress as it deals with difficult funding problems while sustaining effective administration of government programs. The additional resources we are requesting will enhance our ability to use up-to-date tools and to properly recognize our people for strong job performance in providing the Congress with an appropriate level of support and with quality products that can be relied upon in supporting critical decisions facing the Congress over the next few years.

We strongly believe that our record of accomplishment warrants the support that you have given us in the past. We hope that you will continue to support us in the coming years.

This ends my formal statement, Mr. Chairman. I am pleased to have the opportunity to respond to your questions.

SUMMARY OF STATEMENT

Mr. **Bowsher**. We had a very exciting and productive year last year is the best way to describe it. We testified 161 times before the Congress and issued 767 reports. Savings last year resulting from our work were again at a record $18 billion, which represents about $59 in financial benefits for each $1 of GAO's budget.

The majority of these savings, of course, comes from the defense area, where we are looking constantly for savings as we continue to review defense affordability issues. However, savings were realized in quite a few other issue areas, such as tax policy and administration, health financing, and energy.

Most of our current work is being done at the request of the Congress. When I first came into office 6½ years ago, about 40 percent of our work was being done at the request of the Congress, and now we are doing over 82 percent at Congress' request. I think that is a good situation, because it indicates that GAO is currently doing more important work. One reason, I think, that we are requested to testify so frequently is that our work is consistent with congressional interests.

At the same time, we must continue to preserve some portion of our effort for self-initiated work because this work often leads to more effective and efficient operation of federal programs and allows us to be prepared to respond to congressional needs.

DEFENSE SECONDARY ITEMS

Some of the most important work that we did last year was in the defense area which included reviews on the 600-ship Navy, the B-1 bomber, and the Stealth bomber. We also did a lot of work on the defense inventory systems. We found that the dollar value of inventories had doubled in a few years—from $48 to $95 billion—but the number of items excess to current needs had tripled.

In other words, a lot of money has been poured into inventories of secondary items.

Senator **Bumpers**. Give me an illustration of a secondary item.

Mr. **Bowsher**. A secondary item is something other than a principal item like an aircraft, tank, or truck. Secondary items include engines, transmissions, repair parts for these items, and subsistence items. Many of these items are at depots in the states and warehouses overseas and have not been issued to installations, bases, or users. Spare parts and the weapons systems modifications are serious problems. I testified before the Armed Services Committee on March 14, 1988, and pointed out that this is a potential area of savings that the committee ought to give a lot of attention. We did a lot of this work on inventory growth and development for Senators Wilson, Glenn, and Chiles during the past year.

FINANCIAL INDUSTRY WORK

Another area that we have put a really large investment in, and I think it is absolutely necessary, is the stock market crash and the Glass-Steagall issue. When we had the stock market crash in October there were all kinds of questions about what caused it and what some of the problems were. The White House asked the Brady Commission to review it, but the Congress asked us to review it, and our team came up with an excellent report in January 1988 and presented some of the key findings.

We are still working on many of the issues, because our January report to the committees was a preliminary one. I think Glass-Steagall is a very big issue and is another important area that our financial institutions group is working on. In fact, we have an educator consultant group that is at GAO today, and we have made a presentation on the issue to get its input.

FEDERAL FINANCIAL MANAGEMENT

We continue to work a lot on Gramm-Rudman-Hollings each summer and we hope that someday the Congress will pass legislation to improve the financial management of the federal government, because I believe the accounting systems and the financial management systems are out of date. The work that we have done gives the Congress a good idea of how to move forward. Senator Glenn has introduced legislation and has the bipartisan support of Senator Roth and others, and I hope that will go forward.

We did a lot of work last year in the health care area and in the agriculture area where we provided the Agriculture Committees options to look at as they formulated the farm credit legislation.

One other area we did quite a bit of work in last year was, of course, Iran/Contra aid. We also loaned five of our people to the House Select Committee for their investigation.

MEASUREABLE FINANCIAL BENEFITS

So those are some of the highlights of our work last year. As I said, it resulted in $18.2 billion in financial benefits to the government. We track our recommendations very carefully and what we have found is that about two-thirds of our recommendations are adopted within a 3-year period. I really think that implementation rate is good.

BUDGET REQUEST

This year we are requesting $394 million to fund 5,200 average positions. We have been about the same size since the middle 1970's. We have not grown here at GAO. We have been at right around 5,000 to 5,100. We would like to move up a little bit, but we do recognize that this is a tough year and it may not be possible, so we are more than willing to meet with your staff and pare back the request if necessary.

But we did want to put forth the request because 4 years ago we asked for a way of moving up to 5,500 and everybody gave us kind of a green light to do that. But we really have not been able to do it because of the Gramm-Rudman pressure, and we understand that.

I want to thank the committee very much for the funding that we have had because it has allowed GAO to remain a very viable organization. In other words, our people today are experienced. They are well trained. We have had enough money to buy some of the computers that are so essential today to do this work.

All the people we are hiring out of school are trained in the usage of microcomputers and expect whatever organization they join to have this kind of technology. We have been able to buy a little over 2,000 microcomputer work stations and we want to continue to buy some more in the next few years.

STAFF RECRUITMENT

We are having very good results in our recruiting. We have all kinds of people who want to join GAO. We have really only two problem areas.

One is lawyers because the starting lawyers' salaries have gone so high that it is hard to recruit at some of the law schools that we traditionally have visited. But we are going out to more Midwestern law schools and getting some fine candidates.

The other problem is computer science people. But everybody has trouble getting computer scientists. In other words, if major corporations were here today testifying, they would be stating that they are having trouble there. So on balance, the people that are joining GAO each year are superb. We are getting large numbers that want to join us, and so we are in good shape.

MODERNIZATION OF GAO FACILITIES

I'd briefly like to mention just two other things, and one is facilities. We have started to modernize our facilities. We have a problem in our headquarters building due to asbestos. We have had a program for some time to remove that and modernize our headquarters building. We are also trying to modernize our 14 regional offices throughout the United States.

We completed our first modernization project this past year in Boston, and it is really a very fine facility with the right wiring and everything for the modern computers. We hope to do that around the country. We will be working on our Denver and Dallas offices this year.

WORKLOAD

The only major problem that we have is the heavy request workload now coming from the committees so we are falling behind in being able to start the jobs as fast as we should. I hate to see the workload back up. We are working with some of the committees to help us prioritize some of this work so that we can concentrate on the more important work, although I recognize that every request is important to the committee or the subcommittee requesting it.

But our problem really is that we have more requests than we can handle, and we just have to work with the Congress to try to sort that out.

That pretty much is our story. Again, I would like to thank the committee for its support in the last few years, because I know these past few years have been very difficult.

PAY-FOR-PERFORMANCE

Senator Bumpers. Mr. Bowsher, I wish every witness that came before this committee and the others I chair could be as succinct and as complete and short as you are. But let me just ask you two or three questions, and we will probably have a few questions in a little more detail that we will want to submit to you in writing for your response. It will save time and probably get better questions and answer that way.

On pay for performance which you mentioned in your testimony, how is that going to work? Is that going to eliminate COLA's?

Mr. Bowsher. No. Everybody would get the COLA, but what it would eliminate is within-grade increases the people practically automatically get now. We would tie any raise other than COLA's to performance as measured in our annual assessment. We have done a lot of work now to put the foundation there.

We have an annual evaluation of all our people. We promote only once a year, and so we have the system basically in place. What we are really trying to do is tie pay changes to performance and to try to reward with additional money our people who have really made the highest achievements during the year.

What we lack is enough promotions. In other words, we are not an organization whose staff is increasing, so we have to ask these people to work on very difficult issues and at the end we cannot reward them sufficiently; only a very few get a promotion that year.

We think that with pay for performance we could reward the people who are really performing a little better than with the current system. Also, part of pay for performance is what is known as a broad band system, and we are going to only have three bands for evaluators and evaluator-related specialists and our senior executive service, and that will get away from the 18 GS levels the normal government system has.

The Congress passed legislation in 1980 to allow us to make some of these changes, and we really have been making them very gradually, but this is the big change. In other words, tying the money to performance will be a major change here.

Senator Bumpers. That does not present any kind of a money problem for you? In other words, you are planning to do this within the existing budget?

Mr. Bowsher. It will cost something each year. We do not want to hold this out as being absolutely cost neutral, but at the same time, we do not think the cost will be large and we intend to explain it in our budget request each year. So we do not see it as a big budget item. But I do not want to say that we think we can do it for the same amount every year.

SOURCE OF GAO WORK

Senator Bumpers. Let me ask this question. Whom do you respond to regarding requests?

Mr. Bowsher. The committees, primarily.

Senator Bumpers. Just committees?

Mr. BOWSHER. Yes. We do respond to committee requests, and we also respond to requests of individual Members

Senator BUMPERS. Does that come from the chairmen of the committees?

Mr. BOWSHER. Yes. They come either by request from the chairman or ranking minority member or from legislative mandates or statutory requirements.

Senator BUMPERS. How far behind are you?

Mr. BOWSHER. Well, it depends on the area.

Senator BUMPERS. Take defense.

Mr. BOWSHER. In defense we are trying to stay fairly current.

Senator BUMPERS. Do you give defense priority in your Office?

Mr. BOWSHER. No; but we devote a large portion of our resources to defense issues—nearly 30 percent of our total resources. For example, over 1,000 of our professional staff are working on defense issues at any one time. Areas that we are having our biggest problems staying current include transportation because of current problems and concerns with the FAA, energy because of the nuclear waste issues, environmental protection, and health delivery and quality of care. We were having quite a work overload problem in the civilian personnel area, but I think we have worked out with the chairman of the House Post Office and Civil Service Committee a screening process that he uses with his subcommittee chairmen and that has worked quite well.

STAFF TURNOVER

Senator BUMPERS. How long a tenure does the average person at GAO have? Do people have a tendency to stay there once they come there?

Mr. BOWSHER. Yes; we have very low turnover. Our overall turnover is 9 percent, but that includes many of our administrative types. Our professional turnover is down around 4 or 5 percent. If anything, I would like to see it a little higher.

STEALTH BOMBER

Senator BUMPERS. Let me ask a general question, and it is almost an unfair question, but I would just be interested in your comments. When I see—and I am one of those people, you know, who voted against the B–1 bomber, totally aside from any technical defects that I thought that bomber might have. I did not vote against it because I did not think it would fly.

I am one of these people that have utmost faith in GAO. You are a fine organization. I think you do superior work. I am sure that it is not superior at all times, but basically you perform a great service for us. And the GAO reports that I have read since I have been in the Senate I think have been, for the most part, very well done and very accurate.

But regarding something like the B–1, for example, and now the Stealth, which I have supported—I am not a technician, I am not a scientist, and I am not an aeronautical engineer, so I do not really know just how—the Air Force takes exception to some of the things, for example, in the B–1 report.

Mr. BOWSHER. Yes. The Air Force takes exception to our reports on the B–1. It thinks that we are being too critical and too pessimistic about that program. But I think that as the program has unfolded in the last few months, many of the problems that the GAO reports have highlighted have unfortunately, actually come to be there. The projected cost overruns, if anything, were not as pessimistic as I think the numbers are eventually going to turn out.

I worry a great deal about the Stealth program. As much as the program might be technically a jump forward in relationship to warfare, many of the same problems that the B–1 bomber has concerning its non-Stealth features are going, I am afraid, to carry over into the Stealth program.

Senator BUMPERS. Some of the problems have to be almost identical, don't they?

Mr. BOWSHER. Yes; that's right.

ADVISORY ASSISTANCE

Senator BUMPERS. But my question was, you know, for a couple of country boys like Charles Grassley and Dale Bumpers, how do we know how to sift out the differences between the GAO and the Air Force?

Mr. BOWSHER. I think it is very difficult. Maybe what you have to do is get some other experts advising you and let them read the GAO and Air Force reports.

Senator BUMPERS. That is a good suggestion.

Mr. BOWSHER. Yes. I served for 4 years at the Pentagon as an Assistant Secretary of the Navy, and as I was leaving, I came to the conclusion that maybe what was needed was to have a small advisory group on every major weapons system on the outside advising the service Secretaries and the Secretary of Defense, because the issues get so technical.

Senator REID. You do not have a building big enough to hold that many people.

Mr. BOWSHER. Well, that is a problem. But I remember, when Dave Packard came in, we had a problem with a weapons system in the Navy called the MK–48 torpedo. We were having a hard time because a lot of the experts in the Navy were saying that it was ready to go into production and other experts were saying that it was not ready and was going to cost a lot of money.

Fortunately, Dave Packard had the background and took two or three people out there, and he concluded that it was not ready to go into production. In other words, the prototype was there and it could work, but when it was put down the production line, there were some problems. I think that decision saved us a lot of money, and in these very technical areas, getting some additional advice sometimes is the only way you can sort it out.

One thing that the GAO report gives you is a document to hold against what the advocates of the program are saying. Sometimes, of course, we say that the program is going well, but regarding the B–1 bomber we did not.

Senator BUMPERS. As a matter of fact, let me say that one reason I won was because of the GAO report on the B–1, but I went through all those facilities used for the B–1, the Stealth, and so on. Of course, one problem in the Stealth, you know, is that it is still top secret stuff, and I cannot just take anybody in there with me I want to. They could tell me anything and make it all look beautiful to me.

But I think your point is well taken, and I appreciate that advice and will try to remember that.

REGIONAL OFFICE SPACE

How much office space does GAO have outside Washington? How many square feet?

Mr. BOWSHER. While we do some research, I will describe it.

Senator BUMPERS. You said you had 14 regional offices?

Mr. BOWSHER. We have 14 regional offices and each office has about 100 to 180 people in it. Our Boston office is about 16,000 square feet.

We reduced our space requirements to meet the latest GSA space limits by using new modern modular furniture. I had the head of GSA in Boston the other day, and he just thought it was a superb facility.

We have these 14 offices, and some of them are in federal buildings and some of them are in buildings that GSA leases from the private sector.

Senator BUMPERS. Have you always had 14 offices?

Mr. BOWSHER. We had 15 offices for quite a number of years. It was 15 when I arrived. We now have 14 offices, because I recently closed our local Washington office.

Senator BUMPERS. There has been no expansion in that area?

Mr. BOWSHER. There has been no expansion. In fact, I have closed some of our suboffices and all our overseas offices except Frankfurt. We have an office in Honolulu where we do our work for the Pacific Ocean and Asia. We had an office in Tokyo at one time. We had an office even in Saigon when the war was on, and that has been closed.

We have a few people down in Panama. I am currently reviewing the need for each of our suboffices.

PANAMA OFFICE

Senator BUMPERS. Are you in touch with your Panama office?

Mr. BOWSHER. Yes, we are in touch with our people in Panama.

Senator BUMPERS. Do they feel threatened in any way down there?

Mr. BOWSHER. No; they feel safe, really. But I am worried about it so we are keeping in close touch.

Senator BUMPERS. Senator Grassley?

IMPACT OF 2.8-PERCENT INCREASE

Senator GRASSLEY. Thank you. My question is a little more general and probably one that I would not ask just you but almost anybody that is going to appear before us today.

The budget summit compromised 2-percent growth, and you come in here with a request for a 19-percent increase. Now, I say that that is clearly unacceptable. Not in light of the fact that you cannot justify a lot of things. You want to spend the money for good purposes and probably even some that we would agree are very good. But this is clearly unacceptable from the standpoint of what we as the committee have to work with here.

Mr. BOWSHER. Sure.

Senator GRASSLEY. I suppose we can start almost any place, but we are going to have to sit down, either with ourselves or with you, and try to work something out. So I was thinking about recommending that we limit your increase to mandatory items, not including restoration of the summit reductions and not including price increases, and this would limit your increase to about $9,329,000, a 2.8-percent increase.

What would be the impact of the fiscal year 1989 operation if that was the level of your operation that you had to live within?

Mr. BOWSHER. I do not know offhand, but we can certainly work with you and your staff on that. That is what we have done each year. In other words, I recognize what you are saying, and I am not surprised at all, Senator, that we are going to have to pare this back. And we have each year. We have worked with your staff each year to try to get it back to whatever the committee can afford.

So we will work on these numbers and see what the impact is. In the last few years we have been able to reach a budget level with which the committee has been satisfied, and we have been able to continue as a good functioning entity.

Senator GRASSLEY. Mr. Chairman, I said yesterday to Senator Reid, as he was substituting for you, that I think that the chances of our getting money from other committees or something to surpass that 2 percent are probably pretty slim. It probably is one of the major responsibilities on our part maybe to show that Congress itself can live within that level, and I do not have any reason to think you disagree with this.

Senator BUMPERS. I certainly do not.

Senator GRASSLEY. But you know, trying to live within that 2 percent does not mean that everything will be within 2 percent. Maybe something will be more——

Senator BUMPERS. I think Congress is probably going to live with less than 2 percent this coming year.

Senator GRASSLEY. OK.

Senator BUMPERS. We got some bad publicity over what we did last year, even though many of the things we did were widely misunderstood. But we authorized some things without giving any money. Actually, it had no budgetary impact, but the Wall Street Journal did not understand that.

LONG-TERM STUDIES

Senator GRASSLEY. One last question, then. Just generally speaking, you emphasized in your opening statement the studies that you do for the Congress and their sources. How much of your budget is spent on ad hoc studies, if you know, as opposed to long term statutory requirements of things you have to do that fall into the post-audit category or I guess anything, post-audit or otherwise, that is ongoing?

Mr. BOWSHER. The average length of our jobs is about a year. We frequently do studies that are very time critical and must be done in a great hurry, like the one on the recent stock market crash when we had from October to January to conduct our work and testify before the Congress.

Senator GRASSLEY. OK. Now, is that category 100 percent of your work? Is that 90 percent of your work? You have got 10 percent that you are just automatically doing that you got assigned to by statute that the Congress has not specifically asked you to do?

Mr. BOWSHER. I see your point. Most of our work is at the request of the committees. Statutorily mandated studies make up a relatively small percentage of our overall workload, about 5 to 10 percent.

Mr. SOCOLAR. I would say it is about 10 percent. However, this year's continuing resolution contained quite a number of specific assignments that we are statutorily mandated to do.

Mr. BOWSHER. Yes. In fact, each year it seems like the continuing resolution contains more and more mandated assignments for GAO to do. Every year we review existing mandated requirements to determine if they are still needed

Any time that we think we are working on something that may not be as important as when it was mandated, we try to come back to the Congress and see if removing or modifying that mandate is appropriate.

But, as I have already stated, the large majority of our work is requested by a subcommittee or a committee and it generally takes us about a year to complete most of those studies.

LEGAL DEPARTMENT

Senator GRASSLEY. Do you have any responsibilities that do not fall into the category of study?

Mr. BOWSHER. Yes; we do. We have a big legal department of 130 attorneys, and we issue over 4,500 legal decisions a year.

We have a small claims group. That group does some work on claims against the Government, disburses funds from the judgment account, and things like this. We are down to about 50 people to do this out of our 5,100 people.

Senator GRASSLEY. That is all the questions I have.

Senator BUMPERS. Senator Reid?

Senator REID. I have no questions.

OWNERSHIP OF GAO BUILDING

Mr. Bowsher. If I could go back to an earlier question, it looks like we have about 313,000 square feet for our regional offices, which is about 22,000 square feet per region.

Senator Bumpers. In that connection, Mr. Bowsher, I think you want to take over your own headquarters here——

Mr. Bowsher. That is right.

Senator Bumpers [continuing]. And give GSA its walking papers, and I do not blame you. We have a lot of agencies that would like very much to do that.

Have you ever been asked to do a study on——

Mr. Bowsher. GSA?

Senator Bumpers. Yes.

Mr. Bowsher. We are currently doing a general management review of GSA.

Senator Bumpers. Well, one thing you will probably conclude is that they ought not to own GAO's headquarters. [Laughter.]

Mr. Bowsher. Well, no, we are more objective than that. But if I could just talk to that for a minute.

Senator Bumpers. I get so many complaints about GSA. And I get complaints about its service. I get complaints about people saying that, if GSA buildings were equipped with certain devices they could save money, and that sort of thing.

Is your report designed to cover those kinds of things?

Mr. Bowsher. We are looking, I think, at all aspects.

Senator Bumpers. OK.

DELAYS IN ASBESTOS REMOVAL

Mr. Bowsher. Regarding our own building—if I could just take 2 minutes on that—it is very large. It is across the street from the Pension Building. It literally covers almost a whole square block except for a little part of the block. It was built in the 1950's and, unfortunately, had this asbestos put into it, which was the rage at that time for fireproofing. We have been working with GSA now to get it out.

But that removal is progressing slowly. We think we can do it faster and at a lower cost if the Congress adopts the plan that we have proposed here. That is something that the Congress will have to look at carefully.

Another important issue is that being a legislative branch agency, we feel there is some basis for not being subject to executive branch control. Our budget does not go through OMB. Our personnel system is separate from OPM's. So I think it would be better if our building was also separated from GSA, because then the independence issue would be much clearer.

GLASS-STEAGALL WORK

Senator Bumpers. When is your study on Glass-Steagall going to be completed? We are going to be voting on that bill soon.

Mr. BOWSHER. We completed the first study and we testified a couple of weeks ago on that; I can certainly get copies up to you. We are continuing to do work on some aspects of the Glass-Steagall issue, and we will be reporting on that later. But we can get the first one up to you.

BIENNIAL BUDGETING

Senator BUMPERS. Just two other quick questions. Has GAO done a study on the advisability of going to biennial budgeting?

Mr. BOWSHER. We have, and we recommended that it be tried but not that one grand switch be made. The Defense Department tried a biennial experiment, except that Cap Weinberger did not make it a good experiment because he sent over a budget that matched the Gramm-Rudman target the first year but was unrestrained in the second year. Now Carlucci has to take $33 billion out of that budget.

Senator BUMPERS. Carlucci is my new best friend, incidentally.

Mr. BOWSHER. Well, I think on his first budget he did——

Senator BUMPERS. He did very responsible things.

Mr. BOWSHER. Yes; I agree with that, and I told the Senate Armed Services Committee on Monday that I thought it was a very good first step.

So I think it would be good to see how biennial budgets work in an agency once we have a true 2-year budget sent up and approved.

Senator BUMPERS. You know, at the state level all we former Governors look to that biennial budget because we all did it. And one of the benefits at the state level, and I do not know whether it would work here or not, was that we always gave our increases on the front end and the second year was just marginally larger. And we did not have all this political pressure. Everybody wanted whatever they could get right then, and nobody really looked much at the second year; so they learned to live with it and we saved a great deal of money.

Mr. BOWSHER. I think there is some real merit to it, especially for large procurements.

DEFENSE INVENTORIES

Senator BUMPERS. One other thing you mentioned concerned inventories of equipment by the Defense Department, what you referred to as secondary——

Mr. BOWSHER. Secondary items; yes.

Senator BUMPERS. I just wondered if one of the things was a result of what some of us chanted a long time ago, and that was to put more prepositioned equipment in Western Europe? We had a goal as having enough prepositioned equipment there for three or four divisions so we could send Reserves into the area, and that sort of thing.

Mr. BOWSHER. No. The increases were not part of the prepositioned equipment.

Senator BUMPERS. Are they two separate things?

Mr. BOWSHER. No; really they are the spare parts and the modification kits and everything else that follows after a system is build. I think that there was a lot of money there for a few years, and people just bought everything that they could buy. Unfortunately, we have seen a lot of inventory items that have been shipped over to Europe and now some are being shipped back.

Senator BUMPERS. Stop it. I do not even want to hear about it. It drives me crazy.

Mr. BOWSHER. Yes.

COST OVERRUNS

Senator BUMPERS. On the cost overruns, incidentally, are the military reforms—Senator Grassley, you are on the Armed Services Committee?

Senator GRASSLEY. No; but I got into it because of my work on the Budget Committee and also my Subcommittee on the Judiciary.

Senator BUMPERS. It just reminds me of a little dog I had one time trying to teach her to quit wetting on the rug. I just never could do it. I mean, a couple of weeks maybe would elapse and I would think I had it made. Then all of sudden, it would happen again.

And it seems to me that in the military procurement, that is what we get into. You just simply cannot stop some egregious overcharging, cost overruns, and that sort of thing. Particularly cost overruns, I really wanted to focus on overcharging. Some of these overcharges run in the hundreds of millions of dollars. I want to know, are the military reforms that we have supposedly put in place with the Military Reform Act calculated to stop that? Or is that just a case of dishonesty that we have never been able to stop in 200 years, or what?

Mr. BOWSHER. I think——

Senator BUMPERS. We have such a complicated system.

Mr. BOWSHER. That is it. We have such a complicated system, and, I think, many people are gaming the system, unfortunately.

In other words, when you have money and budgets that have fairly sizable amounts of money, there is a rush to contract and keep the program going. Maybe we are heading into a period of even more cost overruns, like with the Navy ships. I think there was a tendency in these past few years to do what McNamara did in the early 1960's, and that is to solicit competitive bids.

You get lower bids. You then reprogram the available funds for more ships. Then as the Navy starts building the ships, it run into problems, and there are cost overruns. Consequently, all of a sudden, the Navy has to go back to the Appropriations Committees for additional funding.

An article the other day in the Washington Post said that this was coming, and one of the retired admirals, who was a budget officer when I was at the Navy, called me and asked, "Do you think we are going to have to go through this all over again?"

So I wish I could be more optimistic.

Senator BUMPERS. That is disturbing to hear, I must say.

SPARE PARTS

Senator GRASSLEY. Over the last 3 or 4 years, GAO has done for me a couple of studies. One particularly good one concerned the dumping of spare parts. GAO found that in some instances, the spare parts had been taken out of the dump and sold back to the Defense Department.

Senator BUMPERS. I remember that one.

Mr. BOWSHER. Yes.

Senator GRASSLEY. Another time, they were dumped and then bought brand new again. You know, very expensive items.

Senator BUMPERS. When you are spending $300 billion—of course, my objection to the so-called Reagan buildup——

Mr. BOWSHER. It was too fast.

Senator BUMPERS. Yes. It was totally unsustainable economically, and the Pentagon was totally ill-prepared to spend that kind of money.

Mr. BOWSHER. Exactly.

Senator BUMPERS. So what happened was as predictable as the night following the day.

Mr. BOWSHER. That is exactly right.

Senator BUMPERS. It would happen in the private sector.

Mr. BOWSHER. Sure it would.

Senator BUMPERS. It would happen to anybody who did it that way.

Mr. BOWSHER. If you took a $100 billion corporation, of which we now have just a few, and tried to double that in 4 years, you would have inefficiencies, and that is what they did over there.

Senator GRASSLEY. They found, in regard to these spare parts being dumped, that this was a year after Weinberger had sent down an order that there was not going to be any more of this. And then find memos that in effect say, "Disregard what the Secretary of Defense says."

Senator BUMPERS. Mr. Bowsher, you have been a fine witness. You have sympathy on this committee. We all look to GAO, as I guess Thomas Jefferson would say, to protect us from what would otherwise be a tyrannical government. [Laughter.]

CLOSING REMARKS

Mr. BOWSHER. Well, again, Mr. Chairman, we appreciate very much the support of this committee.

Senator BUMPERS. Thank you, and we will have a few questions to submit.

Mr. BOWSHER. OK. In reference to our earlier discussion, we did bring one copy of the Glass-Steagall report and let me give it to you.

Senator BUMPERS. Thank you very much.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to the Office subsequent to the hearing:]

QUESTIONS SUBMITTED BY THE SUBCOMMITTEE

Foreign Affairs Administrative Support

Question. The fiscal year 1989 request includes an increase of $289,000 for Foreign Affairs Administrative Support. This is an increase of 116%. What are these funds for? Are there items that GAO has not paid for in the past that are now required?

Response. The 116 percent increase ($289,000) in the Foreign Affairs Administrative Support (FAAS) includes $29,000 for price level increases for GAO offices in Panama and Frankfurt. The requested increase also includes $260,000 for proposed State Department changes in the FAAS regulations.

At the time that the GAO fiscal year 1989 estimates were prepared, the State Department was working on proposals to increase services (building operations, communications, and operation of information systems) provided through FAAS. GAO has been recently advised by the State Department that these changes will not be effective until fiscal year 1990. Therefore, GAO's fiscal year 1989 estimate can be reduced from $539,000 to $279,000.

Accordingly, GAO's fiscal year 1990 FAAS request will reflect a large increase over fiscal year 1989 level to include these new nondiscretionary costs which will have to be paid to the State Department to cover GAO's share of those services, that State Department will be paying out of its appropriation through fiscal year 1989.

Contract Services Increase

Question. Please detail the increase of $996,000 in contract services?

Response. The increase of $996,000 in contract services is to support price level changes in the following areas:

1) Government ADP Services	$337,000

Under this category reimbursement is provided to government agencies for computer and other ADP services for administrative systems processing, for specialized reference data bases obtained through the Library of Congress, and for timesharing. The increase of 8 percent will meet changes in the costs of these services.

2) Non-Government ADP Services	$316,000

This object class includes contractual agreements for the use of computers and other ADP equipment, data bases, and ADP personnel services (specification writing, programming, documentation, etc.) when performed by commercial firms. The increase of 8 percent in this area will enable GAO to meet the rising costs of these services.

Equal Promotion Review Program

Question. The justification material notes that the Comptroller General has recently established the Equal Promotion Review Program (EPRP) in the office of the Assistant Comptroller General for Operations. The purpose of this program is to develop an understanding of disparities in the promotion of minorities and non-minorities. How will this task be done, when will it be complete and will the EPRP make recommendations for correcting these problems?

Response. In the current fiscal year, we will send an EPRP review team, consisting of three to six evaluators, into each of 20 GAO divisions and regional offices where disparities have been identified in the 1986 and 1987 promotion process. Based on interviews, review of documents, and analysis, the teams will seek to determine whether the disparities reflect performance differences or other factors including racial bias. The team assigned to a unit will prepare a report for the Comptroller General on the unit describing findings and, when needed, offering recommendations. A board consisting of management and minority group representatives will review these reports and advise the Comptroller General.

We plan to complete EPRP reviews of the FY 1986 and 1987 promotion cycles before October 1, 1988. Our plan is to complete reviews of the FY 1988 cycle by January 1989. If reviews of the FY 1989 and subsequent cycles are needed, we plan to complete them by January 1990, and so on.

We anticipate three types of EPRP recommendations: systemic change, remedial action for any individuals found to have been treated unfairly in the promotion process, and disciplinary action directed at any person found to have discriminated in the promotion process on the basis of race.

Staff Assistance to the Congress

Question. One of the roles of GAO is to provide temporary staffing assistance to congressional staff. How many persons do you have detailed to committees, on average?

Response. Historically, GAO has detailed personnel to Congress and continues to provide an increasing number of evaluators.

In FY 1987, GAO detailed 121 evaluators to various House and Senate Committees. From fiscal years 1984 to 1987 the level of congressional assistance has averaged 105 evaluators; since fiscal year 1979, the average has been 99 evaluators. The following chart reflects the number of congressional detailees assigned from FY 1979 through FY 1987. Estimates are provided for FY 1988 and FY 1989.

Congressional Detailees by Fiscal Year	
1979	85
1980	87
1981	119
1982	93
1983	90
1984	80
1985	107
1986	111
1987	121
1988	125 (e)
1989	128 (e)

National Recruitment Program

Question. The GAO National Recruitment Program has been through seven recruitment and examination cycles. Would you please, briefly, describe this program and its accomplishments? How much does it cost per year to operate this program?

Response. The National Recruitment Program is a coordinated, systematic, college relations-based effort to attract high caliber students. The program is designed with both a centralized, National Recruitment Program staff in Washington which coordinates and manages our efforts, and a decentralized cadre of our best line people who conduct recruitment interviews and participate actively on campus to promote our message as a viable employer. Each year we participate in some 550 events at 120 campuses around the country. Our recruitment program operates on a Fall and Spring cycle basis and each of our recruiters is trying to fill our entry-level vacancies around the country. Built into our program is a referral process so that we are able to match a prospective candidate's choice for geographic location with our needs in that location. Approximately 15 percent of our selections are cross-referred from one geographic location to another. Since the program began in the Spring of 1984, we have made over 1,000 job offers to some of the nation's best students. In fiscal year 1987, the program cost less than two million dollars primarily in staff time and generated approximately 4,000 applicants from which we made 475 job offers. Thus, the cost per job offer was approximately $4,200. This cost is in line with costs of our private sector competition for the types of people we are both seeking.

SLUC Costs and Savings

Question. How much does GAO currently pay in Standard Level User Charges for this building and how much rent do you pay for outside facilities? Will this entire SLUC be realized as a savings or will you still have to pay some portion of fixed overhead charges to GSA?

Response. GAO is budgeting $31,981,000 for payment of rent to the General Services Administration. If ownership of its headquarters building is transferred to GAO effective October 1, 1988, the $19,513,000 in rent for the GAO building would not be paid to GSA, but the balance of $12,468,000 would continue to be payable for space at audit sites and regional offices.

Of the $19.5 million, about $7.5 million would be used for annual operation and maintenance costs. The balance of $12 million would be dedicated to continuation of the headquarters renovation and asbestos removal program. This level is equal to the amount of funding GSA is planning to spend in FY 1989 on the asbestos removal renovation program.

We believe that savings will occur in more timely completion of the asbestos removal renovation program than leaving this responsibility to GSA to manage.

Composition of Professional Staff

Question. How many of your professional staff positions are made up of accountants, lawyers, economists and various other disciplines? Please provide a schedule detailing this information.

Response.

Professional Disciplines

Job Series	Number	Description
Series 28	1	Environmental Protection Specialist
Series 101	65	Social Science Analyst
Series 110	60	Economist
Series 180	11	Psychologist
Series 334	105	Computer Specialist
Series 345	4	Program Analyst
Series 347	234	Evaluator - CPA
Series 510	207	Accountant
Series 511	1	Auditor
Series 801	1	Engineer
Series 880	1	Mining Engineer
Series 905	133	Attorney
Series 1301	2	Physical Scientist
Series 1350	1	Geologist
Series 1510	4	Actuary
Series 1515	34	Operations Research Analyst
Series 1529	2	Mathetical Statistician
Series 1530	3	Statistician
Series 1550	17	Computer Scientist
Total	886	

3) Personnel Security Investigations	$ 30,000

The increase of $30,000 in this category is due to the higher cost per investigation charged by the Office of Personnel Management. The rate charged by OPM for each background investigation increases by $200 to $250 per year.

4) Health Services	$ 14,000

GAO's expenditures in this area are nondiscretionary. The increase requested reflects current expenditure trends and is needed to insure delivery of on-site health care.

5) Non-Government Contract Services	$196,000

This category provides GAO with funding for contractual services from commercial firms for necessary assistance in connection with the many audits, investigations, and reports done by GAO. The increase of 7 percent will enable GAO to maintain current levels of usage by meeting the rising cost of these services.

6) GSA Contract Services	$103,000

This category provides funds for guard services in the GAO building and at several audit sites, overtime utilities, and other miscellaneous facilities operation services not provided through GSA rental charges. The increase of 10 percent will keep pace with changes in the costs of these services.

Telecommunications

Question. The budget includes a request for $11.5 million to purchase telecommunications networks for five regional offices and headquarters. What will be the total cost to install these networks in all regional offices?

Response. Of the $11.5 million requested for the purchase of telecommunications equipment, $335,000 was included for private business exchanges (PBX's) in five regional offices. At an average cost of $70,000 per region, the costs for the acquisition of PBX's for the remaining 9 regions would be $630,000, bringing the total cost for all regional offices to $985,000.

Question. Will this system be compatible with the Legislative Branch Telecommunications Network Plan?

Response. GAO has participated in the working group formed to address legislative branch telecommunications and has provided the Architect of the Capitol with our telecommunications requirements so that GAO needs and concerns would be considered in any legislative branch telecommunications plan. We continue to monitor the workings of the Architect and to assess his decisions and recommendations to ensure that GAO's acquisition of a local voice/data telephone system is compatible with the Legislative Branch Telecommunications Network Plan.

Microcomputer Purchases

Question. You are requesting $2.3 million for the purchase of additional microcomputers. How many units will this purchase, and what type of systems are you purchasing? How many more do you envision, how long will it take you to purchase them?

Response. The $2.3 million would purchase approximately 770 microcomputer workstations, including peripherals. These microcomputers will replace obsolete and non-standard microcomputers currently in use, provide workstations for evaluation of shared resource technology, and increase mission support computing capability in our operating divisions and regions. We anticipate acquiring a mix of microcomputers including XT-types used primarily for word processing and moderate volume analytical work and AT-types used primarily for high volume analytical work. The fiscal year 1989 acquisition would increase our inventory of microcomputers to about 3,500. The optimum quantity of microcomputers would be achieved at a level where inefficiencies and loss of productivity in processing information required for GAO work would disappear. Assessment of progress toward achieving that objective is a continuous process and our latest analysis of several months duration is scheduled for completion by the end of April 1988. The result can be supplied to the Appropriations Committee at that time.

Organ Transplant Contributions Act

Question. Mr. Bowsher, I recently introduced legislation which would create a National Organ Transplant Trust Fund that would be funded by a voluntary check off system on the Federal income tax form. The purpose of the fund would be to assist individuals who are in dire need of transplant surgery but, because they have no health insurance, their health insurance does not cover organ transplants or they have no private resources, they cannot afford this life-saving treatment. Do you have an estimate of how much could be raised by such a check off system?

Response. No. We have not done any work on this issue.

Question. Do you have any work planned in the organ transplant area?

Response. We are currently reviewing certain aspects of heart transplantation for the House Ways and Means Committee, Subcommittee on Health. Specifically, we are reviewing, at 16 hospitals performing heart transplants (1) patient selection criteria, (2) the cost of heart transplants and the extent private insurers, public programs, patients and the hospitals are paying for the procedures, (3) the increase in the number of hospitals performing heart transplants, and (4) efforts to increase organ donation. We anticipate a report by summer 1988.

However, we have not completed any reviews of an organ transplant fund that would help in estimating the amount that could be raised by a check-off system. Were we to undertake such work, we would most likely request a revenue estimate from the Joint Committee on Taxation. For a long time, the Joint Committee has been accustomed to its role as the sole congressional source of revenue estimates for tax legislation.

Question. Could you undertake a survey of those states, such as Massachusetts, that have an organ check off program, or other check off programs, so that we can benefit from their successes and avoid their failures?

Response. We believe that it would be more beneficial to complete our ongoing work before taking on additional assignments related to organ transplantation. Although we are still in the preliminary stage of the study, we have found that private insurers are paying for most heart transplants; whereas, Medicare and Medicaid programs are reimbursing for very few transplants. Additionally, most hospitals require payment for the costly procedure and perform very few on a gratis basis.

Contracting Out for Audit Work

Question. I recall that you were contracting out required audits of some government entities. Is that continuing and are you satisfied with the results?

Response. We have contracted out some audits including one of GAO itself. The remaining work has been chiefly audits of government corporations, which are required to be audited at least 1 year in 3 (the Rural Telephone Bank and the Government National Mortgage Association are complete to date). In those cases, the government corporation is charged the audit fee, and the GAO staff who would have been needed to do the audit are available for other important work. We have been monitoring the work of the contractors and have found it satisfactory, and we have issued our reports on their work.

Status of Asbestos Removal

Question. We know that you have a major problem with asbestos in the GAO building. What is the status of the removal effort and what are your plans in 1989?

Response. Phase One of the GSA renovation plans for the GAO building is nearing its end. At this time asbestos materials have been removed from the 2 basement levels as well as almost all of the 1st, one-half of the 2nd, and all of the 7th floors. Removal of asbestos insulation covering pipes on the top floor, where all of the air handling equipment is housed, will be completed by June 1988. GSA will be replacing PCB-laden transformers this year and installing new electrical switches at the same time. GSA is also converting the freight elevators to automatic mode.

Design of Phase Two is complete for asbestos removal on the remaining floors--half of 2 plus all of 3, 4, 5 and 6. GSA's $54 million prospectus has been submitted to Congress for its approval. For fiscal year 1989, $12 million is being budgeted to complete another floor of the building. There is no firm schedule for completion of the other floors. The GAO building will have to compete annually with other GSA projects in the National Capital Region for OMB approval of new funding.

Question. How much of the asbestos removal are you paying, and what is GSA's share?

Response. As indicated in response to the previous question, GSA is currently responsible for all asbestos removal. GSA is estimating its cost to complete the project at $54 million with $12 million being spent in FY 1989.

GAO's costs have been and would continue to be in analyzing air samples to insure the health and safety of our employees. These analyses as well as miscellaneous equipment purchases cost $300,000 to $400,000 per year and are dependent on the rate at which GSA has the asbestos removed. In addition, GAO must replace all carpet materials and generally refurbish space that has been completed by GSA following clearance of asbestos materials. This cost in fiscal year 1989 is estimated at $1.7 million for systems furniture to afford economies of space utilization and $1.6 million for carpeting, partitioning, and refurbishing office space.

Facilities Modernization Program

Question. What is the facilities modernization program? What does it involve?

Response. The facilities modernization program results from the General Services Administration initiative to restore the GAO building to a level that is consistent with standards for fire safety and asbestos-free work space. Once GSA has completed its major reconstruction program, the space is returned to GAO which must make changes to make it habitable. At this time, it is more cost effective in the long run to make improvements in GAO facilities to support the increased usage of ADP and telecommunications equipment since our telecommunications capability must accommodate both digital technology and increased data transfer capability.

Modernization includes refurbishing office space and replacing carpet that has been contaminated during asbestos removal. The purchase and installation of systems furniture will save an estimated 40 square feet of office space per employee. Also, systems furniture resolves telecommunications cabling problems since the panels are pre-wired. In-floor duct space problems are solved, and the need to install raised flooring is avoided.

Audit Site Office Space

Question. How much office space does GAO occupy outside its headquarters building in the Washington area? How much of that is in executive branch buildings?

Response. GAO has 317,936 square feet of office space in the Washington area that is not a part of the GAO building. Of this total, 75,983 square feet is provided by executive branch agencies and the Congress without charge.

With the exception of the GAO audit site in House Office Building Annex Number 2, all office space is located in buildings leased by GSA for use of federal agencies.

Building Management

Question. You are proposing to take control of your headquarters building from GSA. GAO has looked at this type of operation in the past, is it your view that government agencies should control their buildings and take GSA out of the building management business?

Response. GAO believes that GSA should reduce its presence in office space management to permit the larger agencies (having need to occupy the majority of a federal office building) to be responsible for the operation and maintenance of government-owned buildings. Where multiple agencies with minor space requirements are housed, the management should remain with GSA.

Question. After the asbestos program is completed, will this become another fixed cost that may have to be served at the expense of your professional staff?

Response. When the asbestos removal and building renovation project is completed, there would no longer be a need to fund this type of expenditure until such time that further renovation is required in the next century. We do not see this type of expenditure as being a trade-off for the hiring, training and using of professional staff.

Budget Reform

Question. Mr. Bowsher, you have been a participant as well as an observer of our recent budget difficulties. Do you have any thoughts on how we might improve the process of budget consideration as well as ways to reduce deficits?

Response. With regard to the first part of your question, I believe that most observers and participants would agree that the congressional budget process needs some streamlining. I think that the objectives should be to reduce the number of revisited decisions, to free-up time for oversight activities, and to ensure an orderly delivery of governmental services. Along these lines, I would like to offer some suggestions.

The Congress may want to review the layering of functions that has occurred over the years, producing duplicative, revisited decisions on the same programs. Many programs are addressed each year in the budget resolution discussions and actions, again when the authorizing legislation is considered and passed, and yet again during the appropriations process. On top of this, there are the annual Gramm-Rudman-Hollings reports that need to be considered, and the debt ceiling extensions. The November 1987 Congressional-White House "summit" talks and agreement involved yet another set of participants and steps. I think that this workload gets the Congress bogged down.

Another possibility is biennial budgeting. In the past, I have stated that biennial budgeting warrants consideration as a way of reducing budget workload and improving oversight activities. If adopted, it probably should be tried first on a selected basis, maybe for some of the procurement activities of the government. A possible drawback is that it may lessen congressional budget control. I continue to believe that biennial budgeting deserves consideration, and that the government should proceed carefully on it.

Some form of an automatic continuing resolution also warrants consideration, as a means of minimizing funding gaps and disruption to basic governmental services. We have previously reported on various automatic continuing resolution options (GAO/AFMD-86-16, GAO/PAD-83-13, PAD-82-24, and PAD-81-31). I must say, though, that none of the options is very attractive. I would rather see an emphasis on figuring out how to get the appropriations passed on time.

Now let me address the crux of the matter--the budget deficit. What must we do and how can we do it?

The first thing we must do is recognize that the deficit is an urgent problem with which we must deal. We must also be realistic. If we are going to solve this problem, we must be willing to compromise. Right now, we just do not have enough revenues to pay for all of our programs. We also must be prepared to take a hard look at the spending levels in all parts of the budget--defense, entitlements, etc. Every program should be placed on the table for close examination. I do not know of an easy or painless way of reducing the deficit, but it is clear that Americans will experience lessened economic growth and prosperity if we do not make the hard choices now.

Unified Budget

Question. The federal government operates with a unified budget, in other words we include operating, capital, and interest expenses in one figure and compare that to total revenue. Have you looked at our income and expenditures by its component parts to see what that analysis might show.

Response. We believe it is time to rethink the budget's structure. It has been 20 years since the last major reform, when the government's administrative and trust funds were merged into one, unified budget--the principal recommendation of the 1967 President's Commission on Budget Concepts. The development of the unified budget concept was unquestionably a step forward, but there is a problem with the current format. It often confuses rather than clarifies many issues. It should better portray the costs of various programs. Some might say that we should not change what we have become used to, but I think that changes are necessary for a better understanding of our budgetary situation.

The treatment of capital investments is one area where we need to do something. The current unified budget makes no systematic distinction between expenditures for capital investments and those for current operations. Under the current unified budget, "a dollar spent is a dollar spent." The current budget treats outlays for capital and operating activities the same, even though they are different in a key respect--capital outlays do not reduce the resource base of the government the way current outlays do because they represent asset exchanges. When an outlay is made to acquire an asset, whether it is a building or a loan, it produces a future stream of benefits to the government in terms of a cash return or by providing facilities to carry out government operations. Under present budget scorekeeping rules, however, a $100 million expenditure to build a hydroelectric plant, for example, contributes to the deficit the same as a $100 million expenditure for current military fuel costs, even though the investment in the power plant will produce benefits to the government and public for years to come.

A capital budget component within the unified budget would resolve these deficiencies. As such, we propose restructuring the unified budget by requiring an operating and a capital component within the unified budget. Our proposal for restructuring the budget would result in the continued reporting of receipt and outlay totals for the federal government as a whole. Our restructured unified budget would, however, identify the receipts, outlays, and resultant borrowing needs for federal capital investment activities, and it would clearly distinguish them from current operating amounts. The operating and capital component amounts would be provided for the budget as a whole, and for each function, agency, and program. It would, therefore, maintain the current unified budget's comprehensive coverage. Also, it would include account listings and schedules that report total program costs where programs involve both capital and non-capital items.

Our restructured unified budget would provide the President and the Congress an additional basis for targeting areas for deficit reductions in times of deficit spending. For example, Gramm-Rudman-Hollings deficit targets would be established for the capital and/or operating components of the budget as well as for the total budget. With such a focus, however, it would still be necessary to monitor and control the total borrowing requirements of the government, including borrowing for capital projects. Federal borrowing for capital projects would be no different than other federal borrowing in its impact upon the aggregate economy, credit markets, and interest rates.

In addition, capital budgeting would provide other benefits, such as, eliminating budget process disincentives toward physical capital investment; reporting more accurately the costs of the federal government's direct loan programs; providing a link to financial statements; and focusing public attention on the nation's physical infrastructure needs. In summary, capital budgeting within the context of the unified budget would result in a substantial improvement in federal budget decisionmaking and control process. It would represent an important step toward building a modern and effective financial management structure.

Shown below is a table taken from some recent GAO testimony on this subject. The numbers are approximations for illustrative purposes only.

UNIFIED RESTRUCTURED BUDGET OF THE U.S. GOVERNMENT
(dollars in billions)

	1986
Operating budget	
Operating revenues	$ 873.2
Operating expenses	981.7
Capital consumption charge (depreciation)	50.0
Operating surplus/deficit(-)	-158.5
Capital budget	
Capital revenues	$ 36.8
Capital investments	149.0
Capital financing requirements	-112.2
Items not affecting funds	
Depreciation	50.0
Total financing requirements	$-220.7

Appropriate Direct Assistance Level

Question. You state that 82 percent of your work is done upon request of the Congress. What, in you opinion, is an appropriate mix between work done upon request and self initiated work?

Response. As I stated in my prepared statement, we need to maintain a portion of our workload for self-initiated work to adequately identify important emerging areas which we feel need review and to maintain staff continuity and expertise on the wide variety of important issues that GAO must be prepared to address quickly and expertly when congressional requests are received.

I cannot quantify in percentage terms what an appropriate mix would be for GAO as a whole. As I responded to a previous question, it depends on the area. In certain program areas such as Justice or Agriculture, we can more readily anticipate the major issues and already have staff with expertise in place to respond to requests as they are received. Consequently, in such areas we can manage a congressional request workload in excess of the office-wide average of 82 percent.

In other areas, where we must deal with complex government-wide issues such as instituting financial management improvements or effective ADP and telecommunications programs, we need a larger portion of our workload devoted to self-initiated work. These areas often times are labor-intensive and require highly specialized staff to identify the issues and perform the necessary work. A high percentage of congressionally requested work in these areas would provide some short-term benefits, but it would prevent GAO from developing needed staff expertise to effectively address these areas in the long term.

GAO's Panama Office

Question. What steps have you taken, or are planning to take, to protect GAO staff in Panama in light of the current unrest?

Response. We are following State Department's guidelines on contingency planning and emergency actions. Our office procedures cover what steps we would need to take under various conditions of unrest in Panama.

Question. How many people do you have there?

Response. Currently there are seven GAO staff members assigned to Panama.

LIBRARY OF CONGRESS

STATEMENT OF JAMES D. BILLINGTON, THE LIBRARIAN OF CONGRESS

ACCOMPANIED BY:

WILLIAM J. WELSH, THE DEPUTY LIBRARIAN OF CONGRESS
DONALD C. CURRAN, THE ASSOCIATE LIBRARIAN OF CONGRESS
JOHN C. BRODERICK, ASSISTANT LIBRARIAN FOR RESEARCH SERVICES
JOSEPH E. ROSS, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE
RALPH OMAN, REGISTER OF COPYRIGHTS
PETER G. SPARKS, DIRECTOR FOR PRESERVATION

OPENING REMARKS OF SENATOR BUMPERS

Senator BUMPERS. Our next witness this afternoon is the new Librarian of Congress, Dr. James Billington, who is accompanied by Mr. Joseph Ross, Director, Congressional Research Service.

Dr. Billington, welcome to this powerful and prestigious Legislative Branch Subcommittee.

This is your first hearing so we will include your biography in the record at this point, and let me admonish you—and I know I do not have to as an old professor—do not be nervous just because you are in the presence of great people. [Laughter.]

[The biography of Dr. Billington follows]

BIOGRAPHICAL SKETCH OF JAMES H. BILLINGTON

James Hadley Billington was sworn in as The Librarian of Congress on September 14, 1987. He is the 13th incumbent of that position since the Library was established in 1800. An author and historian, as well as educator and administrator, Dr. Billington came to the Library from the Woodrow Wilson International Center for Scholars, where he had served as director since 1973.

A native of Pennsylvania, Dr. Billington was educated in the public schools of the Philadelphia area. He received his undergraduate degree from Princeton University, graduating as valedictorian of the class of 1950. Three years later he earned his doctorate from Oxford University, where he was a Rhodes Scholar at Balliol College. Following service with the U.S. Army, he became a history instructor at Harvard University in 1957 and an assistant professor of history and research fellow at the Russian Research Center the next year. He moved to the faculty of Princeton University in 1962 and was professor of history at Princeton from 1964 to 1974.

From 1973 to 1987, Dr. Billington was the director of the Woodrow Wilson International Center for Scholars, the congressionally created national memorial to the 28th President. Under his directorship, eight new programs were established at the Center, beginning with the Kennan Institute for Advanced Russian Studies in 1974. The number of meetings grew to more than 250 a year, including about 20 multi-day international conferences annually. Two of the projects Dr. Billington initiated at the Center were The *Wilson Quarterly*, founded in 1976, which now reaches 110,000 paid subscribers, and the publication of 12 detailed scholars' guides to educational resources in Washington.

Dr. Billington is the author of a number of books, two of which--*The Icon and the Axe* and *Fire in the Minds of Men*--were nominated for National Book Awards, and he is widely published in both professional and popular journals. He has also participated as a host, commentator, or consultant on numerous educational and network television programs, and he has accompanied several congressional delegations as well as a library and a church delegation to the U.S.S.R.

Concurrently with other positions he has held over the years, he has also been a longtime member of the editorial advisory board of *Foreign Affairs*, a former member of the editorial advisory board of *Theology Today*, and a past director of the American Association for the Advancement of Slavic Studies. He was a member of the Board of Foreign Scholarships in 1971-76 (chairman, 1971-1973), which has executive responsibility for academic exchanges worldwide under the Fulbright-Hays Act. He has been a Guggenheim Fellow, a McCosh Faculty Fellow of Princeton University, and visiting lecturer or research professor at numerous universities and research centers overseas. He is also a past vice chairman of the Board of Trustees of St. Albans School in Washington, D.C.

Dr. Billington holds a number of honorary degrees and is a member of the American Academy of Arts and Sciences and a Chevalier of the Order of Arts and Letters of France.

Born in Bryn Mawr, Pa., on June 1, 1929, Dr. Billington is married to the former Marjorie Anne Brennan. They have four children, Susan Billington Harper, Anne Billington Fischer, James Hadley Billington, Jr., and Thomas Keator Billington.

INTRODUCTION OF ACCOMPANYING STAFF

Dr. BILLINGTON. Thank you, sir.

Perhaps I should introduce the great people I have brought along.

Senator BUMPERS. By all means do that if you would like.

Dr. BILLINGTON. You mentioned Mr. Ross of the Congressional Research Service; Bill Welsh, the veteran Deputy Librarian hardly needs any introduction; Don Curran, the Associate Librarian of Congress; and right behind us, Henriette Avram, Assistant Librarian for Processing Services; Carleton Kenyon, Law Librarian; John Broderick, Assistant Librarian for Research Services; Ruth Ann Stewart, Assistant Librarian for National Programs; Alan Jabbour, Director of the American Folklife Center; Ralph Oman, Register of Copyrights; William Robinson, Deputy Director of the Congressional Research Service; Susan Finsen, Assistant Director for Operations in CRS; Herbert Becker, Director of Automated Systems Office; Peter Sparks, Director for Preservation; Frank Kurt Cylke, Director of the National Library Service for the Blind and Physically Handicapped; and John Hemperley, the Budget Officer.

They are all right here, Mr. Chairman.

Senator BUMPERS. We should be able to get an answer to any questions you do not know the answer to. [Laughter.]

Dr. BILLINGTON. I would hope so.

LIBRARIAN'S STATEMENT

Senator BUMPERS. Jim, we are pleased to have you before the committee. If you can summarize your testimony it would be most welcome to the committee and then we will get into the question and answer session.

Dr. BILLINGTON. Thank you, Mr. Chairman. First of all, I am very pleased and honored to be here today for the first time as your Librarian of Congress. After 6 months of immersing myself in learning about this remarkable creation which is not only a remarkable work of the Congress, but it is the largest and most open national library in the world and the greatest single repository of knowledge and information in human history. I think it is as well an extraordinary national asset for our country as it enters the information age and seeks to improve our educational standards and our productive competitiveness.

COMMITTEE FOR MANAGEMENT AND PLANNING

We at the Library are quite simply the developers of a unique national resource that is in many ways still yet to be tapped. In order to determine how best to realize these possibilities we are conducting throughout this year a Library-wide review process and I have appointed a new staff committee for management and planning from middle management to help define the job we should be performing in the 21st century and to begin implementing an integrated strategy for getting us there.

In addition to this committee within the Library, I am calling on outside management consultants and a constituent advisory group composed of the national library community and other actual and potential users.

I will be making, of course, progress reports to the Congress on this large-scale undertaking as we go along, but I already would like to report my excitement, not just about this review process, but about my working association with the dedicated senior staff and their rich experience that is gathered all around me here, and also by my many meetings with talented people throughout the Library.

RENOVATION RESULTS

The renovation currently underway will bring a new congressional reading room and a world-encompassing set of special reading rooms into the Jefferson Building and a much enhanced national capacity for productively using our vast scientific and technological materials in the Adams Building; in effect, an international temple of the book in the Jefferson Building and a new dynamo of science and technology in the Adams Building.

I look forward to the years ahead to bringing before the Congress the variety of possible uses to which this unique creation might be put and next year's budget request should begin to reflect the new assessment and the integrated strategy that will be emerging from our current review process.

BUDGET REQUEST

My task this year is more modest but no less urgent; namely, securing the ongoing support needed to arrest what has been some serious erosion during the last few years. For the operation of the Library of Congress for fiscal 1989, Mr. Chairman, we are requesting $274,198,000, including authority to obligate $13,034,000 in receipts, for a net increase of $26,144,000. Of this amount, $7,797,000 is requested to restore cuts taken during fiscal year 1988; $8,993,511 to maintain our current level of services; and $9,353,489 for growing workload.

Mr. Chairman, my predecessor warned the Congress 2 years ago that the consequences of the double cuts imposed that year could be, quote, "dangerous and could become tragic for our nation."

Those cuts were only very partially restored and another serious cut was imposed by the Economic Summit Conference when it reduced the Library's budget in December 1987 $7,797,000 below the level which had been allowed by the Senate.

PREDICTED PROBLEMS SHOWING UP

The problems that my predecessor warned of 2 years ago have now begun to show up with statistics. Between fiscal 1985 and 1986 the total number of books preserved or restored in this Library declined by 32 percent; the number of nonbook materials—manuscripts, maps, photographs—by 37 percent; and the additions to collections in all formats declined by an alarming 49 percent.

We added less to our collections in fiscal 1986 than we had 10 years earlier in fiscal 1977. We are able to support with appropriated funds fewer employees in 1986 than in 1977. And despite a massive increase in the workload during that decade and generous support by the Congress throughout, the funds appropriated for the Library of Congress, when adjusted for inflation, had declined overall by about 14 percent in the decade between 1977 and 1986.

Now, $5,437,000, or 70 percent, of the reductions mandated by the Economic Summit Conference of December 1987 had to be taken in our salary accounts throughout the Library, the equivalent of 3 percent of our entire work force which, coupled with the absorption of a 2-percent pay increase, forces the Library now to keep 1 of every 10 authorized positions vacant.

The present forced vacancy rate of about 10 percent, if allowed to continue, could force a significant reduction in the quality and quantity of our basic services to the Congress and to the nation's libraries and public. So we need your help in more fully financing authorized positions so that we can return to staffing levels of 95 to 96 percent of authorized strength.

PREPARATION OF BOOKS

Automation, of course, helps us work more efficiently. It has been an excellent investment. But here again, the summit reductions in the preparation of books budget has made us reduce inputting into our automated data base and we have not been able to upgrade the pre-1968 machine-readable cataloging which libraries throughout this nation are waiting for us to do.

That would decrease by many titles the number of books cataloged, reduce some cooperative activities with other libraries, curtail some research and reference support services, and leave key positions vacant in the Law Library. Our current level increase of $8,993,511 begins with the all-important question of acquisitions. Without this Library's special acquisitions of what may sometimes seem to be exotic foreign materials, key policymakers and congressional committees in this city would not have had the instant information they were able to get here in recent years on such matters, just to cite some concrete examples, as Khomeini's writings and biography in 1979, which had been picked up by one of our purchasers when he was still an unknown figure in exile, the Iraqi writings about their nuclear facilities before that became a matter of international concern, or the Soviet article about the Chernobyl power complex and its safety features just before the disaster struck there.

We need not only the $427,900 not granted for acquisitions in 1988, but also an additional $840,100 to offset the recent loss in purchasing power against foreign currencies. In 1987 alone, the Library's purchase of new books declined by 32,000 volumes and 86,000 current serial pieces. These purchases once foregone can often never be recovered and there is an urgent need to prevent any further erosion of funds available for acquisition if we are going to be able to provide the current research needs of the Congress and the global coverage this Library uniquely in the world is able to give you.

RESEARCH AND READER SERVICES

For "Research and Reader Services," we are requesting 8 new reference librarian positions to accommodate the 169 new reader stations that we will add in the renovated Jefferson and Adams Buildings and to accommodate the 29-percent increase in requests for reference assistance we have had in the last 2 years, which creates an ever greater demand for these kind of services.

Also, some new positions for cataloging and servicing our sound recordings and videotapes, which are the fastest growing collections in the Library. They have doubled in size during the past decade and, of course, represent an increasingly important part of our national memory.

PRESERVATION

This subcommittee has generously and really imaginatively supported the Library's efforts to preserve deteriorating collections and related preservations efforts and I would like to report that thanks in no small measure to your leadership that this idea is beginning to catch on more broadly in the country.

A consensus is now beginning to develop among major research libraries to cooperate in a lot of different ways, particularly, for example, an intensive program to microfilm materials too brittle to save. We are requesting resources to double our very modest preservation microfilming efforts to salvage brittle books and play our part in this much increasing national effort, as well as to rebind and repair some volumes in our American history collection and relabel others so that they can be the first prepared for mass deacidification.

On that category, Mr. Chairman, in a letter dated March 15, 1988, I have proposed to you an alternative strategy to the one in our original budget for privatizing the building and managing the delivery system for the mass deacidification program, which I think will be a very effective as well as economic way of doing this. Under this strategy, the $650,000 for the toxicity study mentioned in my statement for the record would be paid for from funds previously appropriated.

AUTOMATED SYSTEMS

During the last several years of reduced staffing because of budget constraints, the increased application of automation has been a major countervailing force for sustaining the quality of services. For automated systems support, we are requesting $933,050 for current level increases for software and hardware and $1,691,150 for growing workload increases. For the Optical Disk Program we are requesting funds for the Congressional Research Service to replace an obsolete document delivery system and for the Prints and Photographs Division to bring in a multidisk access to reading stations and to replace its reading room's video disc retrieval system.

CENTRAL SUPPORT SERVICES

Under "Central Support Services," we request a secretarial staff position for the Center for the Book, which has already inspired Centers for the Book in 15 states. It plays a major role in encouraging reading nationally. It cooperated with us in the first of our national forums that we are conducting throughout the country this year as part of this review process, I might add. Yesterday I was in Pittsburgh and we had a very interesting discussion and I think they will now set up a 16th Center for the Book in Pennsylvania. So one modest support secretary for this, I think, is well deserved and much needed, and an increase of $206,000 for current level services, including custodial service contract for the Madison and Adams Buildings.

There are two urgently needed new positions, each with an assistant, within the Office of the Librarian. One is for a development officer to coordinate and direct the Library's what we hope will be expanded efforts to seek gift and trust funds and advise on fund-raising programs. Twenty years ago gift and trust contributions represented 6 percent of the Library's total funds; today they represent only 2.5 percent.

REMOTE BOOK STORAGE FACILITY

Second, a director of the numerous scholarly and cultural programs which are now spread across several Library departments. The largest of all requests for increased funds in this budget, Mr. Chairman, is for $4.160,000 for the rental of space to lease and to outfit a remote book storage building to accommodate the growth of our collections. The lease is approximately $1 million per year and there will be a one-time shelving cost which accounts for the bulk of this year's request of $3 million.

There are small requests: the American Folklife Center, the Copyright Office under growing workload needs $100,000 to establish at the urging of Members of Congress and of the executive branch; an International Copyright Institute to train officials of developing countries in both management and technical skills for the protection of copyright works of authorship.

Joe Ross, Director of the CRS, is here to address the request of the Congressional Research Service, which I support. I am impressed by their talented staff and intrigued by the possibilities of more creative interactions with the rest of the Library as they continue to do their fine work for you. There is a modest increase, also, for the Books for the Blind and Physically Handicapped.

UNIQUE REPOSITORY

In conclusion, Mr. Chairman, I would just say that of all our great national institutions, it is important, I think, to realize—and I hope that we can flesh this out in a more detailed way in the course of this yearlong review study underway, systematically and strategically—to realize that the Library of Congress as a unique repository of human knowledge and information is one of the institutions most particularly relevant to the emerging tasks of our nation and to the general problems of broader human understanding.

In mid-June of this year we will gather here at the Library some of the leading government figures of the recent past and some of the world's greatest thinkers to discuss with Members of Congress for 2 days the question of the proper relationship between knowledge and power in a democratic society. Finding new ways to link democratic government with reflective scholarship is the opportunity, as well as the obligation of this Library, that is so intimately linked with the legislature. And we hope to have your participation in the June conference this year, if we cannot coax you to an earlier May evening with our splendid poet laureate Dick Wilbur.

MAJOR EVENTS FORTHCOMING

We look forward to working with you and having your support for the commemoration as well of two major forthcoming events which I hope may enable others to share in the hopefulness we at the Library feel about the future of our country as well as of this national institution that serves it.

The Bicentenary of the Congress next year for which we are planning exhibitions and events and the Quincentenary of Columbus' voyages of discovery for which we are conceiving a gala exhibit and program that could coincide very nicely with the renovation of the Jefferson Building as itself a kind of place to discover new worlds in 1992.

Thank you, Mr. Chairman.

Senator BUMPERS. Thank you, Dr. Billington.

[The statement follows:]

STATEMENT OF JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS

I am pleased and honored to appear here today for the first time as your Librarian of Congress. For nearly six months now, I have immersed myself in learning about this remarkable institution, whose destiny has been shaped by the Congress, which wisely made early provisions for a library to assist it in decision-making. Because of the success of this library, Congress has provided for its broader use by the American people; and today its collections and services are unparalleled anywhere in the world.

The Library of Congress is the world's largest library; it is more open to the public and provides more services than any other national library. Thanks to the continuous support of the Congress of the United States, this library constitutes in the heart of our capital the greatest single repository of knowledge and information in human history. But what has especially excited me in the past half year is the growing realization that we at the Library of Congress are more than just faithful custodians of a great legacy from the past. We are agents of hope for the future. For this institution represents an extraordinary national asset for the United States as it enters the "information age" and seeks to improve our educational standards and competitiveness. Thus, I come before you today not just with a budget request for FY 1989, but also with a first report on a process we have underway to realize more fully the Library's potential for our nation's future development.

We at the Library of Congress are quite simply the developers of a unique national resource that is still largely untapped. In order rationally to determine how best to realize the many possibilities that this place presents, we are conducting throughout 1988 a Library-wide review process. I have appointed a new staff committee for Management and Planning from the ranks of middle management and below to help define the job this Library should be performing in the 21st century -- and to begin implementing a strategy for getting there. In addition, I am calling on two other groups for this review: outside management consultants and a constituent advisory group composed of the national library community and other actual or potential users of this unequalled information resource.

I will be making progress reports to the Congress as we proceed with this large-scale undertaking to define an integrated strategy for the Library as a whole. But I hope I can convey to you some of the excitement I already feel not just from this review process, but from my working association with the dedicated senior staff at the library and from my many meetings with talented people in all parts of this multi-media treasure-house. Renovation currently underway will bring a new Congressional reading room and a world-encompassing set of special reading rooms into the Jefferson building and a much-enhanced national capacity for productively using our vast science and technology materials in the Adams building. The Congress will have a multi-media encyclopedia of democracy with many potential new uses once we have added to the Madison building's already flourishing Congressional Research, Law and audio-visual activities an international temple of the book in the Jefferson building and a new dynamo of science and technology in the Adams building.

I look forward in the years ahead to bringing before the Congress the variety of possible uses to which its unique library might be put for the good of our nation; and next year's budget request should begin to reflect the new integrated assessment of the Library's potential that will be emerging from our current review process. My task this year is the more modest, but no less urgent one of securing the ongoing support needed to arrest some serious erosion during the last few years and to permit us seriously to study the multiple possibilities of the future rather than simply to spend our energies improvising to avoid losing ground in the present.

For the operation of the Library of Congress for fiscal 1989, we are requesting $274,198,000, including authority to obligate $13,034,000 in receipts for a net increase of $26,144,000. Of this amount, $7,797,000 is requested to restore cuts taken during FY 1988; $8,993,511 to maintain our current level of services; and $9,353,489 for growing workload.

Mr. Chairman, my predecessor warned the Congress two years ago that the consequences of the double cuts imposed that year could be "dangerous and could become tragic for our nation." Those cuts were only very partially restored; and just as their adverse consequences began to be felt last year, another serious cut was imposed by the Budget Reconciliation Conference

Committee (now referred to as the Economic Summit Conference), when it reduced the Library's budget in December 1987 $7,797,000 below the level which had been allowed by the Senate.

The dire warning that my predecessor sounded two years ago has now begun to be borne out by sober statistics that speak for themselves. Between FY 1985 and FY 1986, the total number of books preserved or restored in this library declined by 32%, the number of nonbook materials (manuscripts, maps, photographs), by 37%; and the additions to collections in all formats declined by an alarming 49%. To be sure, there had been unusually large purchases in FY 1985, and both inflation abroad and the decline of the dollar have been major factors; but the net effect is an erosion that will undermine not just the overall strength but the current usefulness to the Congress and the nation of this extraordinary resource. We added less to our collections in FY 1986 than we had ten years earlier in FY 1977; we were able to support on appropriated funds fewer employees in FY 1986 than in FY 1977. Despite a massive increase in the workload during that decade, the funds appropriated for the Library of Congress adjusted for inflation declined overall by about 14% between 1977 and 1986.

Personnel is the subject with which to begin an explanation of the increases requested for FY 1989, because 70% of the reductions mandated by the Economic Summit Conference of December 1987 ($5,437,000 out of $7,797,000) had to be taken in our salary accounts throughout all departments of the Library. This is the equivalent of 160 positions or more than 3% of our entire work force. Coupled with the absorption of a 2% pay increase and a "normal" salary lapse rate from prior years of approximately 4%, this library must now keep one of every 10 authorized positions vacant. With our non-personal service budget also reduced by $2,360,000 and federal salary and personnel benefit costs continuing to rise, it will become increasingly difficult to maintain services to the Congress, to the nation's libraries, to the scholarly public, and to the copyright and law communities at the high levels which others have come to expect and which we demand of ourselves. The present forced vacancy rate of about 10%, if it continues, could force significant reduction in the quality and quantity of our basic services. We need your help in more fully financing authorized positions so that we can return to staffing levels of 95 to 96% of the authorized strength.

Automation, of course, helps us work more efficiently and is one of the best investments made in the library. The number of records in our machine readable catalog data base in 1986 was 356% greater than the already appreciable number a decade earlier. However, as a result of the 1988 summit reductions in the preparation of books budget, we have reduced inputting into our automated data base bibliographic information. We have also not been able to upgrade the pre-1968 machine readable cataloging which libraries throughout this nation are waiting for us to do. We are decreasing by nearly 10,000 titles the number of books cataloged creating an arrearage and making books unavailable for Congress and scholars. The summit reductions have also obliged us to reduce some cooperative activities with other libraries, to curtail some research and reference support services and to leave key positions vacant in the Law Library (particularly pertaining to Afghanistan, Indonesia, Iran, Thailand and Yugoslavia).

Our current level increase request of $8,993,511 begins with the all-important question of acquisitions. The Library of Congress will remain the preeminent library in the world only so long as its acquisitions are current and comprehensive. Much of what we receive is on an exchange basis and through copyright deposit. But we still must purchase many materials not available through these sources -- particularly the foreign materials that are often most important for national policy. Without this library's special acquisitions of seemingly exotic foreign materials, key policy-makers and congressional committees in this city would not have had the instant information they were able to get here in recent years on such matters as Khomeini's writings and biography in 1979, Iraqi writings about their nuclear facility in 1981, or the Soviet article about the Chernobyl power complex and its safety features just before the disaster there. It is clearly in our national interest not just to restore the $427,900 not granted for acquisitions in 1988, but also to grant an additional $840,100 to offset the alarming recent loss in purchasing power against foreign currencies. In 1987 alone, the Library's purchase of new books declined by 32,000 volumes and 86,000 current serial pieces. These purchases once foregone can often never be recovered. There is an urgent need to prevent any further erosion of funds available for acquisition if we are going to be able to provide the current research needs of the Congress, other government agencies, and scholars who come from every state in the union to use materials here that are not available in any other library.

Under the appropriation for Research and Reader Services, we are requesting 8 new reference librarian positions to accommodate the 169 new reader stations that we will add as a result of the renovation of the Jefferson and Adams buildings. In the past two years, we have had a 29% increase in requests for reference assistance; and the increase in reader stations will create an even greater demand for service. We are also requesting six new positions for cataloguing and servicing our sound recordings and videotapes. This is our fastest growing collection, having doubled in size during the past decade. We need greatly to improve our capacity to service these essential records of contemporary history to which serious scholars are increasingly turning to interpret our times. And we request one new position in the Law Library to maintain our loose-leaf services, since we have only been able to file less than one-half of our loose-leaf inserts (of which we receive more than 2,000,000 annually) with existing staff.

This Subcommittee has generously supported the Library's efforts to preserve deteriorating collections and related preservation efforts. During the past year, national attention has been focused on this problem through a PBS documentary; and I spoke about it when keynoting the first regional forum of a new National Committee to Save America's Cultural Collections last summer in Chicago even before I became Librarian of Congress. A consensus has developed among major research libraries to cooperate in an intensive program to microfilm materials too brittle to save. Thus, we are requesting 10 positions for a total of $259,675 and $514,955 in non-personal services to double our preservation microfilming efforts. We are currently replacing only 11,000 volumes a year, which is far too little for the size of our collections and for the number of volumes which are already too brittle to salvage through other preservation efforts. We are also requesting $45,000 to rebind and repair 10,000 volumes in our American history collections and to relabel 200,000 volumes in that class so that they can be the first prepared for mass deacidification. And we requested $650,000 in the Mass Deacidification Program to conduct additional laboratory and animal experiments on inhalation toxicity. We have been collecting toxicity data relating to zinc oxide and diethyl zinc since 1982, and all studies indicate no risk for humans in the Library environment. These additional studies would clearly establish the toxicological risk assessment level and provide further guarantees against any hazard to staff and readers and any possibility of liability claims.

During the last several years of reduced staffing because of budget constraints, the increased application of automation has been our major countervailing force for sustaining the quality of services. We are requesting for automated systems support $933,050 for current level increases for software and hardware and $1,691,150 for growing workload increases. The latter is for workstations for Library catalogers (who normally catalog 200,000 new titles each year for the Library and the nation), for workstations at the collection control facility, and for improved tracking and management of the collections. And for the optical disk program that holds so much promise for the future, we request funds for the Congressional Research Service to replace an obsolete document delivery system and for the Prints and Photographs Division to bring in a multi-disk access to reading stations and to replace its reading room's videodisk retrieval system.

Under Central Support Services, funds are provided for national programs, management and human resources, and the Office of the Librarian of Congress. We are requesting in national programs one GS-9 secretary staff position for the Center for the Book, which has already inspired Centers for the Book in 15 states and plays a major role in encouraging reading nationally. Within management and human resources we request an increase of $206,000 for current level services, half of which is to cover the cost of maintaining our custodial service contract for the Madison and Adams buildings.

Two new positions (each with an assistant) are urgently needed within the Office of the Librarian. One is for a development officer to coordinate and direct the Library's efforts to seek gift and trust funds and advise on fund-raising programs. Twenty years ago income from gift, trust and service fees represented 6% of the Library's total funds. Today the income is only

2.5%. A second immediate need is for a director of the numerous scholarly and cultural programs which are now spread across several Library departments. As a major institution for the scholarly, artistic and cultural communities of the nation, the Library of Congress needs a full-time leader to promote scholarly interchange between our staff, the scholarly community and the Congress -- and someone who will also coordinate our public cultural programs in music, poetry and literature. Need for the highest intellectual quality control in undertakings of this sort makes it essential that this function be carried out full time by a specially chosen leader -- and not continue to be divided up as part-time responsibilities of library staff who have other qualifications and other primary duties.

The most significant request for increased funds for the Library of Congress for fiscal 1989 is for $4,160,000 for the rental of space. We are requesting these funds to lease and to outfit a remote book storage building to accommodate the growth of our collections. We need a facility that would be large enough -- 75,000-80,000 square feet -- to accommodate at least 3 million books. The lease costs for the building would approximate $1,000,000 per year, and shelving would be a one-time cost of $3,000,000. Storage off Capitol Hill seems to be the answer for crowded collections space. We will make every effort to accommodate our readers who request collections located off Capitol Hill and will use a facsimile transmission system for requests of short articles and treatises.

In the American Folklife Center, we are asking for a current level increase of $19,652.

The Copyright Office has been able to process more claims than ever before with fewer staff as a result of the application of automation and an enlightened consultative management program. I hope we will be able to benefit from Copyright's experience in its management program as we develop new program to help our staff achieve their fullest potential. Under growing workload, we are requesting $100,000 to establish an International Copyright Institute to train officials of developing countries in both management and technical skills for the protection of copyrighted works of authorship. This request is made at the urging of Members of Congress and the Executive Branch. There are long-term benefits for the United States in having strong copyright protection in developing countries for domestic and foreign works. On another matter, we have requested an additional $92,000 to purchase automated equipment to streamline office procedures.

Joe Ross, Director of the Congressional Research Service, is here to address the requests of the Service. I support their requests, and am highly impressed by the talented CRS staff. I am working towards finding new ways in which the other departments of the Library and CRS can interact to their mutual benefit.

For the Books for the Blind and Physically Handicapped appropriation, we are requesting $37,692,000, an increase of $1,506,000. The popularity of this reading program is legendary, and the enthusiasm with which the program is met by both young and old readers makes it a model in federal-state cooperation.

Of all our great national institutions, the Library of Congress, as a unique repository of human knowledge, may be one of those most needed for the emerging tasks of our nation -- and for the advance of human understanding generally. The Library of Congress reflects the historic determination of those who make the laws for our people to have a special link with a place that seeks truth for all people. The review currently underway is designed to provide an integrated strategy for this place as it prepares to enter into third century in the year 2000. In my recent speech to the American Library Association, I indicated my hope that this review would lead to increased efficiency and economy in our management, to an increase and deepening of the use made of the Library's great collections by our widely-dispersed scholarly community, and to improved services to the Congress and the government.

In mid June of this year, we will gather here at the Library some of the great government figures of the recent past and some of the world's greatest scholars to discuss with members of Congress for two days the question of the proper relationship between knowledge and power in a democratic society. Finding new ways fruitfully to link democratic government with reflective scholarship is part of the opportunity as well as the obligation of a library linked to a legislature. Having recently visited smaller libraries of this type in Korea and Japan as well as sister national libraries in the United

Kingdom, France and the USSR, I am impressed by the extent to which your Library is looked to for leadership. As we prepare to meet with our national constituents' committee later this month and to continue the program of local forums around the country that I began yesterday in Pittsburgh, we take with us the hope that we will continue to have the Congressional support that made this Library great and will give us the chance to explore new forms of creative collaboration with local institutions throughout America.

For the period of new activity that lies ahead at the Library of Congress, we seek not only the financial support of the Congress, but your ideas and concerns as well. We will hope to have your participation in the June conference this year -- if we cannot coax you to an earlier May evening with our splendid poet laureate, Dick Wilbur. And we look forward to working with you on the commemoration of two major forthcoming events which I hope may enable others to share in the hopefulness we at the Library feel about the future of our country: the Bicentenary of the Congress next year for which we are planning exhibitions and events and the Quincentenary of Columbus' voyages of discovery for which we are conceiving a gala exhibit and program that could coincide with the completed renovation of the Jefferson building as a new kind of place to discover new worlds in 1992. Unless the Congress can provide the $241,695 request needed to start this process this year, this special opportunity for a national celebration with educational value will have to be foregone altogether. We have attracted the interest of three of the outstanding scholars in America for this project, which could draw not only on the collections of the Library of Congress, but also on some foreign materials that might not otherwise be made available.

In conclusion, let me just say that it is exciting and challenging to be Librarian of Congress and to have the chance to work with the dedicated colleagues here with me today and in all parts of the Library to help develop this remarkable resource in ways that could both aid the Congress and enrich our civilization.

CONGRESSIONAL RESEARCH SERVICE

THREE BUDGET OBJECTIVES

Senator BUMPERS. Mr. Ross?

Mr. ROSS. Good afternoon, Mr. Chairman and Senator Grassley. I am pleased also to be here before you on behalf the Congressional Research Service to testify in support of our fiscal 1989 budget request, and I will summarize my statement, Mr. Chairman.

We have three budget objectives for the year. First, we are requesting funds to reduce the lapse, enabling us to fill vacancies on a timely basis and to fulfill our affirmative action hiring plans. The second objective is to increase staff development through a modest increase in training and meetings travel. And the third objective is, as Dr. Billington mentioned, to replace the failing equipment used for our document delivery system, the selective dissemination of information, or SDI service, as we call it. This is a resubmittal of the request carried over from last year.

My statement goes on to mention that we have launched a number of initiatives over the past year and I think they are bearing fruit. Our workload is up. I think we have better research and coordination and planning, product improvement, efficiency of operations, affirmative action recruiting, and also in the area of labor/management relations. Those are detailed in the statement.

These efforts of assessing where we are and where we are going are continuing. We are presently looking at methods of obtaining congressional feedback on CRS services, standards for unified printing product format, enhancing on-line data bases, and ways to improve the timeliness and efficiency of report production.

We look forward to future improvements through these ongoing activities and through our participation in the Library-wide management and planning effort described by Dr. Billington.

WORKLOAD INCREASES

So far this year we have had a significant increase in workload. I was looking at some figures just last night. I guess the highest point of our workload numbers for the Congress was in fiscal year 1985 when it reached about 457,000 requests in that fiscal year. It went down a bit the 2 fiscal years following. The last half of the last fiscal year it was up over 250,000, the first time for a 6-month period that the workload figures went that high.

Adding those figures to the first 4 months of this fiscal year, through February, it comes up to numbers of about 419,000 for the last 10-month period. So, clearly, we are going to go over the magic half-million mark this year in serving the Congress.

We have been able to meet the needs because of the actions that I described in the statement, along with the budget increase that was allowed by the committees in fiscal 1987 and the really hard work and dedication of our CRS staff.

MINDFUL OF BUDGETARY LIMITATIONS

In conclusion, I have been mindful of the budgetary limitations confronting the Congress, and particularly the committee, and have sought to make our operations more efficient through continuous self-examination and to focus our appropriation request on the amount necessary to serve you effectively. I believe that our request to cover mandatory and affirmative action costs meets that objective. It is the amount necessary to support the services you expect and to make our workforce representative of the nation's racial and ethnic groups.

Thank you.

[The statement follows:]

STATEMENT OF JOSEPH E. ROSS, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

Mr. Chairman and members of the Subcommittee:

I am pleased to appear before you on behalf of the Congressional Research Service to testify in support of our fiscal 1989 budget request.

We have three budget objectives for 1989. First, we are requesting funds to reduce the lapse, enabling us to fill vacancies on a timely basis and to fulfill our affirmative action plans. The second objective is to increase staff development through a modest increase in training and meetings travel. The third objective is to replace the failing equipment used for the Selective Dissemination of Information (SDI) service.

A total of $47,889,000 is requested for fiscal 1989, an increase of $4,867,000 over 1988. Of this amount, $3,122,100 is needed to cover mandatory costs and reduction of the lapse; we are requesting $254,800 to cover previous inflation in nonpersonal services. Thus, the increase needed to maintain current services and achieve affirmative action goals is 7.8 percent. The $59,100 in growing workload will support training and attendance at professional meetings which we believe are important for staff development.

We are resubmitting our request for optical disk equipment to replace the failing document delivery system now used to provide the SDI service; it is urgently needed if this service is to continue. Requested under the Library's Optical Disk Program, the funds support the minimum equipment necessary to replace the microfiche-based system now used, and will provide the technological basis for future expansion of the system to each congressional office.

Since I became Director of CRS in 1986, I have launched a number of initiatives designed to assess and improve CRS' capability to serve the Congress. I'm very pleased to report to you that during the past year these efforts have produced significant results in the areas of research coordination and planning, CRS product improvement, efficiency of operations, affirmative action recruitment, and labor-management relations.

First, CRS initiated a strategic planning process to focus our resources on selected major issues for the Congress. We are using this process to ensure comprehensive and interdisciplinary products for the Congress on the major issues it confronts. I am submitting for the record a list of the 20 major issues which were in the major issue planning system at the end of fiscal 1987.

Second, we have examined ways to enhance the effectiveness of CRS products and services. This effort has produced the following results: (1) consolidation of a number of printed products into a single embracing category -- CRS Reports for Congress; (2) integration of the published guides to CRS products; (3) revitalization of the monthly CRS Review as a digest of analytical articles, with each issue devoted to a major legislative issue; and (4) simplification of the distribution methods for our printed products. All of these actions are designed to better inform congressional clients about our products, make them more easily accessible, and to make internal production and distribution systems more efficient.

Third, last year I reorganized the staff functions in CRS, and reduced from seven to four the number of offices that report to me. This restructuring has streamlined and made more efficient internal staff operations, strengthened research planning and coordination, and improved coordination with other Library support services.

Fourth, in 1987 we successfully concluded negotiations over a new collective bargaining agreement with our employee union, CREA. By mutual agreement the bargaining was limited to renegotiation of six articles, and the new contract went into effect on November 23, 1987.

Fifth, to attract qualified graduate students -- particularly minority students -- to entry level professional positions, CRS undertook an extensive recruitment program last spring. A total of 42 students were hired for the summer with the objective of interesting them in CRS careers when their studies are completed; 76 percent were minorities, and 52 percent were women. Also, CRS management and CREA agreed on the creation of the Graduate Recruit Program with emphasis on affirmative action. The program offers competitive temporary employment to graduate students, including present employees, and the opportunity to be considered for subsequent placement in permanent positions.

Our assessment efforts are continuing. We are presently looking at methods of obtaining congressional feedback on CRS services, standards for unified printed product format, enhancements to on-line data bases, and ways to improve the timeliness and efficiency of report production. We look forward to future improvements through these ongoing activities and through our participation in the Library-wide Management and Planning effort recently initiated by Dr. Billington.

I want to thank you for the continuing support you have provided CRS. In the two years I have been Director of CRS, we have been faced with the necessity of making limited resources stretch to meet growing congressional needs. So far this year, we have had a significant increase in workload. We have been able to meet it because of the actions I have already mentioned, along with the small budget increase allowed in fiscal 1987, and the hard work and dedication of CRS staff.

In conclusion, I have been mindful of the budgetary limitations confronting the Congress and particularly this committee, and have sought to make our operations more efficient through continuous self-examination, and to focus our appropriations request on the minimum amount necessary to serve you effectively. I believe that our request to cover mandatory and affirmative action costs meets that objective; it is the amount necessary to support the services you expect and to make our workforce representative of the nation's racial and ethnic groups. Thank you.

Senator BUMPERS. Mr. Ross, you are not asking for any new positions; is that correct?

Mr. ROSS. That is correct, sir. We would like to fill some of the positions that have been vacant which we cannot fill solely because of lack of funds to do so.

Senator BUMPERS. Your request for a total increase of 11.3 percent, given the budget constraints that we are trying to operate under, that is a pretty healthy increase. I would not be terribly sanguine about your chances of getting that.

Mr. ROSS. I understand, sir.

Senator BUMPERS. I do not blame you for asking.

Dr. Billington, on this deacidification project—and incidentally, Senator Grassley, I would like to insert in the record the letter I received from Dr. Billington dated March 15, 1988, on this proposal to contract with a Texas firm which has proposed to do this deacidification.

[The letter follows:]

LETTER FROM JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS

March 15, 1988

Dear Senator Bumpers:

I would like to propose a new strategy to carry out the Library of Congress plan to preserve its paper collection using the diethyl zinc (DEZ) gas diffusion process. There is interest and positive commitment in the chemical industry to build and operate a plant using private capital with appropriate licensing and multi-year contractual commitment from the Library to deacidify its collections. We have received an expression of interest and an offer to conclude a contract with Akzo America, the parent company of Texas Alkyls, the key points of which are shown in Enclosure A.

All of the elements shown in Enclosure A are subject to contract negotiations and agreement. Before negotiating with Akzo America the Library would make public notice of its intentions and invite other parties to express similar interest and commitment. If such parties emerged, we would consider their proposals along with Akzo America's and contract with the party that served the Library's best interest.

The Library's contracting effort with Akzo's subsidiary, Texas Alkyls, to date has produced very satisfactory results. A new process design has been completed, a pilot plant has been built, and successful test runs have been completed. Additional test runs as specified by our contract are underway. We are continuing to gather data about the chemical delivery process itself, and the adequacy of the engineering design. Many of our contract goals have been achieved, and we confidently expect the Texas Alkyls contract and a further plant design scale-up contract to be completed in a fully satisfactory manner in the next eight months. At the end of the contract we will have a proven design and scaled-up engineer specifications for a full-scale plant capable of deacidifying 1.0 to 1.5 million books per year. In its draft report on book preservation technologies, the Office of Technology Assessment states:

> "It may be beneficial for the Library of Congress to seek a private contractor to furnish all aspects of management, construction and operations for the full scale deacidification facility. The contractor could furnish the site, construct the entire plant, transport the books and all supplies and guarantee to treat each book in accordance with specifications supplied by the Library. The Library could license the DEZ process to the contractor. The contractor could furnish this service at a fixed price per book or per year."

We conclude that this option is best. The Library now proposes to submit draft language for inclusion in its appropriation for Library of Congress, Salaries and Expenses, 1989, to amend PL 98-396, dated August 22, 1984, an act making supplemental appropriations for fiscal year 1984. At that time $11,500,000 was appropriated "to remain available until expended, for construction of a mass book deacidification facility." We now seek modification of that language to "purchase equipment, supplies and services as needed to deacidify books and other materials from the collections of the Library of Congress." Public Law 98-427, dated September 28, 1984, authorized an appropriation of $11,500,000 "to construct the Library of Congress Mass Book deacidification Facility...." We will, of course, advise the House Committee on Public Works and Transportation and the Senate Committee on Rules and Administration of our current proposal to redirect this effort and seek their concurrence with this new strategy.

As of March 5, 1988, the remaining unobligated balance in this account was $7,958,430. It would be our present plan to use this balance as set out in Enclosure B.

Given this approval we would not expect to seek additional funds to contract for book deacidification until fiscal year 1992. We estimate that approximately 800,000 books can be deacidified before additional funds will be needed. The continuing contract effort will be in the range of $3 to $5 million annually as we build up to the 1.0 million books per year deacidification level. In fiscal years 1990 and 1991 we will be seeking additional staff to move books to the plant from Capitol Hill and return treated books to the collections.

An additional exciting feature of this strategy is to make the facility available to other libraries and archives under appropriate contractual arrangements with the vendor. We believe this to be an important development in library preservation and it is our intention to share the technology through private enterprise as broadly as possible with the entire library archival community. We will, of course be pleased to meet with you and expand upon and explain this proposal in detail.

Sincerely,

James H. Billington
The Librarian of Congress

Enclosure A

Contractual Elements Suggested by Akzo

- Akzo will construct at its own expense a commercial scale facility at its existing Delaware City, Delaware plant site capable of initially treating 1 million volumes per year and expandable to a 1.5 million volume level.
- Akzo will operate this facility on a fee basis with first priority assigned to the collection of the Library of Congress under a 20 year agreement--renewable in 5 year increments--with provision for reimbursement of undepreciated capital in the event of premature termination.
- The Library will grant to Akzo an exclusive worldwide license with sublicensing rights to the proprietary know-how and the patent rights (as applicable) with a running royalty payable to the Library for treatment of books for third parties.
- Akzo agrees to promote the technology in the developed countries of the world, establishing regional commercial scale treatment facilities as warranted by demonstrated demand and the logistics of operations.

- The Library will indemnify Akzo against claims regarding the effectiveness of the process and with respect to damage to the collections of the Library.
- Akzo will have full control over engineering and construction of the commercial scale facility on its plant site. Operation of the facility will commence no later than 30 months from the conclusion of a definitive agreement.

Enclosure B

Spending Plan for Unobligated Balance of Deacidification Program Account

Complete contractual work with Texas Alkyls and subcontractors	$ 900,000
Scale-up design contract	$ 500,000
Complete toxicological studies with Battelle Institute	$1,500,000
Purchase equipment, loading carts, trailers, etc.	$ 800,000
Other contingencies	$ 100,000
Contract for deacidification of books	$4,158,430
	$7,958,430

CONTRACT PROPOSAL DISCUSSED

Senator BUMPERS. In reaching that decision, what kind of savings did you estimate? Give me some idea of how much it will cost if we contract with this Texas firm. They are going to build it and do the work.

How much per volume is this going to cost?

Dr. BILLINGTON. Well, I think I will perhaps defer to Mr. Curran for most of details because he has been working along with Mr. Sparks, the head of the Library's preservation efforts.

But let me just say in a general response to that—they will give you the exact figures—but the experience there has represented, I think, a very interesting and very careful sort of learning experience and profiting from the relationship with the Texas chemical firm and the pilot facility, which I, myself, have visited twice down in Houston. They have been doing these very elaborate series of tests on a large sort of scale model and have proven very effective. The pilot facility was visited by members of the national library community who are also, I might say, very excited about this because it has implications for libraries across the nation. And indeed, in its privatized form it will have broader and probably more rapid application to the library community of America and to the broader national problems of paper deterioration.

We think this is an imaginative as well as an effective and economic way to go. But why don't I defer to Don Curran on the statistics, if you would.

It is about $5 a book, if we get up to a million volumes a year. All of the estimates, including the OTA estimate, have converged at that as being a reasonable hope for the Library to aspire to on a large scale. This is really quite economical.

DEZ PROCESS DESCRIBED

Senator BUMPERS. Before you begin, let me ask you, describe for me in general how this process works, and, second, what kind of additional longevity do you get out of a volume for doing it? And No. 3, what is the principal reason for it?

Mr. CURRAN. The purpose is to take the acid out of paper. Acid is, of course, what causes paper to be brittle and eventually destroyed in a relatively short period of time; ordinarily after 30 to 75 years, paper can be rendered useless. If you do not have acid in paper, either because it was not made that way in the first instance, or you are able to somehow deacidify it——

Senator BUMPERS. Incidentally, do we still put acid in paper?

Mr. CURRAN. Virtually all paper being produced today is acid-base paper. You can extend the life of a piece of paper to last for hundreds of years through deacidification. I guess you know, from old, old manuscripts, old, old books that they are on paper that is acid free. Before 1850, paper was made with rags, not wood pulp.

The process which the Library has developed and holds the patent on is the gas diffusion process and this has, in our judgment, many, many advantages over the so-called liquid-base systems. The concept is really quite simple. You put the books in a chamber. You take the air out of the chamber and most of the water out of the books with a vacuum. You introduce diethyl zinc in a gaseous form, and it has the marvelous quality, because the gas molecules are very small, to simply go right through the paper in thousands of books in a chamber and in a matter of hours it neutralizes the acid in the paper and leaves a zinc oxide deposit which will protect the paper from further acid attack and embrittlement for, we can say, hundreds of years if the paper itself is in good condition at the time of the treatment.

The effectiveness of the process is that you do not have to do much else. You do not have to sort and sift through the books and worry about colors running. You do not have to worry about the effect a liquid would have on the books. It is, in our judgment, an excellent process in that regard. And finally, you can do it in high volumes—thousands of books at one time and a million or more a year.

We are looking at the need in the Library of Congress to deal with millions of books. We have a collection of 14 million books. We add books at the rate of 300,000 books a year. So that is essential to the process.

Now, the dollar figures, we have been saying $3 to $5 a volume, and we have some preliminary estimates from the parent company, Akzo Chemie America, which we feel we can negotiate contracts with them in the range of $4 to $5 a volume and that includes their labor costs, their chemicals, their depreciation of equipment, their depreciation of plant, their profit, and their problem. I mean, we would basically deliver the books to their dock and we would take them off of the dock and bring them back to the Library.

All of the mechanics, chemical operating costs, all the hiring and training of staff, the entire technological aspects of the process would be in the hands of the chemical industry firm.

Senator BUMPERS. You do not have to open the books or anything?

Mr. CURRAN. Nothing. Just load them up in containers that look like book trucks and put them in the chamber, take the air out of the chamber, and dehydrate the books, and introduce the gas. And then rehydrate them afterward.

It has been done successfully in the plant in Texas.

NEW TECHNOLOGY

Senator BUMPERS. This is a tested technology?

Mr. CURRAN. No; it is a new technology. That is why we are developing it so carefully. It has not been done before and that is why we have built a plant, or we had, actually, a contractor do this, and what we have learned in this process is there is a chemical industry that there is a competent contractor, perhaps others, who can do this work, and we think more effectively and efficiently than we can.

Senator BUMPERS. Where would you deliver them to? Where is this plant going to be?

Mr. CURRAN. Well, if this particular company is the successful bidder, if we complete these negotiations, they are prepared to build the plant at their site in Delaware City, Del., at their cost, which we would estimate to be in a range of $5 to $7 million. In fact, instead of our building the plant, we would use the funds which have been appropriated to build the plant to deacidify for the first 2 years, 800,000 books.

We would not expect to be back here for appropriations for this until 1992.

Senator GRASSLEY. How much has been spent so far on this study?

Mr. CURRAN. Of the initial $11.5 million which was appropriated by the Congress in a supplemental bill in 1984, approximately $8 million remains. The $3.5 million spent has gone into developing the process. There had been some money spent before that in development efforts. I do not know that I am able to answer your question precisely. I can supply it for the record. It is in the order of, I think, $5 or $6 million.

[The information follows:]

As of February 29, 1988, a total of $7,982,474 has been obligated for the development efforts in connection with the Library's DEZ deacidification program. This includes obligations from the $11.5 million appropriated for the facility, the annual allotments of $350,000, and the previously reprogrammed amounts.

POSSIBILITIES OF OTHER STUDIES

Senator Grassley. To what extent have you already checked with other federal agencies like EPA, for example, or any other source—I cannot think of another one—but that would have been having some studies in this area?

Mr. CURRAN. The Office of Technology Assessment at the request of the House Appropriations Committee conducted a technical review and is in the process of issuing a report. We have seen a draft of that report.

Senator GRASSLEY. So as an agency yourself, you have not looked to see whether there have been other comparable studies ongoing?

Mr. CURRAN. We have been researching this for more than 10 years. We are confident there is no other process that is using the diethyl zinc gas diffusion process. There are other liquid-based deacidification processes, yes, and we have examined them ourselves and we conclude the gas process is the superior process for the Library of Congress.

Dr. BILLINGTON. Well, there are other theories about gaseous forms of deacidification, too, but none of them have been developed to the degree this has and this has been now subjected to a very extensive set of tests, and there is an additional toxicity test scheduled.

I wonder if Mr. Sparks might want to add anything on this. He is in charge of the Office of Preservation.

We do not want to tell more than you want to hear, but he has been really very close to this.

LIBRARY DEVELOPED PROCESS

Senator BUMPERS. On this issue, Mr. Sparks, do you have any comments you want to add?

Mr. SPARKS. On the testing part of it? Is that what you are interested in?

Senator BUMPERS. Yes.

Mr. SPARKS. We first tested this process and saw its unique features, back in 1973.

Senator BUMPERS. Incidentally, did the Library of Congress develop this process?

Mr. SPARKS. Yes.

Senator BUMPERS. Do you have a patent on it?

Dr. BILLINGTON. Yes, sir; we do.

Senator BUMPERS. And so what you are going to do is license the Texas firm to do this?

Dr. BILLINGTON. Yes, sir.

Mr. SPARKS. We worked with it at the lab bench, up until the late 1970's, and then in the 1980's we progressed into the engineering development phase. This is culminating now in Texas in order to see how we would do it on a large scale. This effort has been very successful.

As a result, we realized that these chemical companies are so efficient at building these facilities and running them that it would be much to our advantage to let them do this task. This would leave us be concerned about moving the books and the things that we know how to do the best. The economics are comparable.

ENVIRONMENTAL CONCERNS

Senator BUMPERS. Following up on what Senator Grassley was asking, are there any environmental concerns with this process?

Mr. SPARKS. Let me address that. There are no environmental concerns. The main effluent from the plant is ethane, which is a light hydrocarbon.

Senator BUMPERS. Ethane?

Mr. SPARKS. Ethane is a light hydrocarbon that is not regulated. We would put so little into the atmosphere that it would be of no concern.

The toxicological side, which is in our 1989 request, is something that requires careful study and prudent experimentation so that you know exactly how the compound that you leave in the book—in our case zinc oxide—behaves in the human body. We use rats as models for these experiments.

A National Toxicology Program study is what would be done as a compound such as zinc oxide is put into public exposure. The advice we get from our consultants is that we should proceed carefully and do a total toxicological risk assessments in order to have the right information available in today's environment where people are very concerned about chemicals.

ADDITIONAL WEIGHT FACTOR

Senator GRASSLEY. I was also asking, leading up to another point, about the—it is my understanding that you have 300 tons of additional material as a result of this process; is that right?

Mr. SPARKS. If you took the books in the Adams Building—for example, 10 million books—and you put 2-percent zinc oxide in them, which is the intent, they would initially weigh on the order of 2 pounds each, so it would be about 400,000 pounds of zinc oxide that would rest in those books in very, very tiny particles. And those particles do not necessarily come out of the book when they sit there.

Senator GRASSLEY. That would be 300 tons, so I guess what I wanted to lead up to, are you satisfied that the building—you know, does that create any structural problems? Or what about the shelves, et cetera? Are you going to be able to handle all of that?

Mr. SPARKS. I think so. I do not believe there is a problem.

Senator GRASSLEY. Well, you know we had to move everything out of the Senate Law Library yesterday because of too much weight. And you said 500,000 pounds?

Mr. SPARKS. Four hundred thousand pounds. In tons, it is—there are 2,000 pounds to a ton, so you would have 200 tons. But anyway, it is a weight factor.

Senator GRASSLEY. We are talking about all the books in all the buildings, not just the one building?

NEWER BOOKS AFFECTED MORE THAN OLD

Dr. BILLINGTON. The study, as I recall, in 1984 that we had made estimated that about three-fourths of the volumes in the Library's total collection would benefit from this kind of a treatment and again, the estimate was then that 77,000 a year are receding into the brittle state beyond help from the treatment. It is peculiarly ironic because it affects the newest books, not the oldest books. They made paper an awful lot better back in the old days.

So the documents of the Founding Fathers are not in jeopardy, but the record of America from about 1840, 1850 on is what is in jeopardy.

Senator BUMPERS. Is that when we started putting acid in them?

Dr. BILLINGTON. That is when we started ruining our paper.

Senator BUMPERS. Is that where you are going to start with this program, incidentally, with the earliest books that contain the acid paper?

Dr. WELSH. Actually, we are going to start the other way. We are going to start with the more current material, because it is there where you will get the greatest benefit, and then work back. All the incoming material will be treated before it is put on the shelf.

Senator GRASSLEY. On page 57 is where we got our information, just so you all will know.

Mr. CURRAN. Your information is correct, and the answer is that an additional weight factor distributed over the acres and acres of stacks would not cause a problem—it is not an appreciable additional amount of weight. It would be, as he said, less than 2 percent, or about three-fourths of an ounce per book.

DEVELOPMENT OFFICER

Senator BUMPERS. One other thing, Dr. Billington. I understand you are going to hire a development officer to expand private fund giving?

Dr. BILLINGTON. Yes, sir.

Senator BUMPERS. What do you hope to get? Do you have a goal in mind? Do you have an endowment fund in the Library?

Dr. BILLINGTON. Yes; there is a Trust Fund Board, in fact, which supervises this, and a small endowment. But, as I indicated in my testimony, the percentage of gift and trust that that fund and other service fee accounts of the total budget used to be much greater than it is now.

Over the years there has been some benefactions and gifts to various parts of the Library, for collections, for music and literary programs, and for other things for which appropriated funds are generally not available, such as retrospective items for the collections, special exhibits, and things of this kind.

But the first thing that we want to do with such an officer is to draw together and get an inventory of what we had done over the years, what the collective history is, and to rationalize the effort, centralize it, so the left hand knows what the right hand is doing and that we have a central point of reference.

The second thing will be to develop a kind of strategy to secure private funds for Library activities that have not been funded by appropriated funds, particularly things like a broader academic dissemination program—conferences, symposium exhibits, publications—special acquisitions, particularly retrospective acquisitions and related activities.

We do not expect to get heavily, and as a matter of priority, in the retrospective acquisition business. Our main job is just to keep up with the flood of current publications and making the discriminating selection there. But all of that can be aided by this. And in the long run, I should think to develop an endowment strategy for the Library to take care of some of those needs that cannot be handled by appropriated funds and which would provide an added element of stimulus and enrichment for the Library.

Perhaps this officer also would think about such things as a national advisory body to involve some of the national private sector, not only in the fund-raising activities, but in thinking about the national collection and the national Library more generally.

We see this as a pretty significant challenge. We do not see it as a replacement for, or in any way encroaching on the historic relationship, both in terms of assistance to the legislature and in terms of support from it. But we think it can be an important addition and enrichment.

Senator GRASSLEY. How do you think, as a percentage of your budget, it is down, 6 to 2, I think you said, when I think private giving as a whole is generally up?

Dr. BILLINGTON. Well, the first thing to say is there has been no officer in charge of development so you really cannot expect great results.

FUND-RAISING MORE REFINED

Senator GRASSLEY. So you had a special emphasis on this in the budget back a few years ago?

Dr. BILLINGTON. No. I think what happened was that there was some major benefactions. I do not have the exact breakdown of those earlier numbers before me, but if you look historically at the Library, there have been some great kind of past benefactions. But since that time what has happened is fund raising has become much more systematic and organized generally. In the Library that was probably done on a much more relaxed and casual basis. It really cannot be effectively done that way any more.

Also, it is very important that we coordinate so that what we do is not competitive with other libraries but is rather enriching the national collection and making a rational decision there. We need somebody to preside over an integrated strategy that will bring our many parts together and will define a dignified and proper approach to private fund raising in the only way it can be done in a modern large institution, which is having somebody responsible for doing it.

Dr. Welsh, with his vast memory and knowledge of the institution, may have a better sense of what it was like then.

Senator BUMPERS. We have some questions we will submit in writing that might very well fit into your category.

BUDGET LIMIT GUIDELINES

Senator Grassley, do you have additional questions?

Senator GRASSLEY. I would have a couple of questions I want to submit. One I asked the Secretary in the Senate yesterday about some damage to Senate documents. I will submit that for writing. And then one on an overall plan in case of disaster that I would submit in writing.

But I have one that I would like to ask and that is, again, this overall approach of the fact that this committee is going to have to live within the budget summit and a 2-percent increase, and I think your request is an 11-percent increase, with 30 new positions.

If we would go with the current level of activity, that still would be a 3.7-percent increase, and that would be an $8.9 million increase compared to your 11-percent increase.

I just would like to ask, for instance, could you meet your requested 8 additional positions for reference librarians by filing vacancies from within your currently authorized total of 700 positions rather than adding new positions? And what would only be a small part of the increase that you are asking for.

Dr. WELSH. May I?

Dr. BILLINGTON. Yes.

Dr. WELSH. Senator Grassley, at this very moment we have, because of the budget cuts, 52 people on board that we will have to let go between now and the end of the year through attrition. As a matter of fact, if we had to live within the 2 percent we would have to make further cuts almost across the board. We would have to cut our purchase of books and our staff.

Senator GRASSLEY. Can I interrupt you?

Dr. WELSH. Yes, sir.

Senator GRASSLEY. What you just said, is that besides the one-quarter of your request increase, which is to restore what you characterize as summit reductions, which seem to me to be an attempt to recapture something that you never had in the first place?

Dr. WELSH. This is assuming that there would be no summit reduction. The 2-percent increase would be below that and below the current level.

RESEARCH DEPARTMENT NEW POSITION REQUEST

Senator GRASSLEY. Could you comment just on those eight positions that I was talking about, the eight positions for reference librarians.

Dr. BILLINGTON. Dr. Broderick, would you comment, please.

Dr. BRODERICK. Well, the eight positions are needed. As you know, the Main Reading Room is closed. It closed in December. And it will reopen next December. At the time of that reopening, with the various changes that have been made through the renovation process, we are going to have a very large increase in the number of reader stations.

We think there will be a lot of excitement about the reopening of the Main Reading Room and we are expecting the public and the patrons that use the Library of Congress to want to use the Main Reading Room and the new facilities that will be available at that time.

Most of these require the assistance of reference librarians. We do have some vacancies in the reference librarian group which we are unable to fill because of budgetary constraints. We would like to be able to fill those, but we need this additional number of authorized positions to maintain the coverage of those reader stations in the Jefferson and Adams Buildings.

Senator GRASSLEY. Thank you.

JEFFERSON BUILDING ROOF

Senator BUMPERS. We have the Architect of the Capitol in later today. What is the condition of the roof in the Jefferson Building? Do you know anything about that?

Dr. WELSH. Yes, sir; we do.

Senator BUMPERS. Is it leaking?

Dr. WELSH. It is leaking in a number of places. I went up to look at it myself. It does not appear to be bad from the external view, but according to George White and his staff the problem, after years of expansion and contraction, is separated joints which is a serious problem. We, of course, are very concerned that if that roof leaks after the renovation is done, after that building is restored, there would be serious consequences. We have brought this to the attention of George White.

Senator BUMPERS. Well, we will pursue that a little further. Since you have got the renovation project going on there, right now looks like it would be a good time to fix that roof.

Dr. WELSH. Absolutely.

Senator BUMPERS. You do not have any estimate on the cost?

Dr. WELSH. No, sir.

GROUNDSKEEPERS TRANSFER

Senator BUMPERS. We will get into that with the Architect.

On a related matter—in the legislative branch bill last year, we transferred your groundskeepers back to the Architect with the understanding that they would remain housed in the Library of Congress buildings. How has that worked out?

Dr. BILLINGTON. It has worked out pretty well, but spring is coming and time will tell.

Dr. WELSH. There has been no negative impact. However, at the moment we only have four gardeners. The Architect is trying to replace two gardeners so that we will have a full complement of six.

We did survive the winter season, which is what brought this problem to a head, because there was a very slight snow fall. But it is, as Dr. Billington said, spring and summer is coming along and we want our grounds to be kept in the same excellent condition they have been in previous years.

RESTORATION AND RENOVATION

Senator Bumpers. Are you satisfied with the progress that is being made on the Jefferson and Adams Buildings over there?

Dr. Billington. Yes; I think we have had a good working relationship with the Architect on this. I have been through it a great deal and, of course, Dr. Welsh and others have. I think we are developing some new ideas about it as we go along and we have found the Architect very accommodating with these plans as we refine our earlier conception, which is still valid but which we have, I think, even improved on in some ways.

We are very satisfied. In fact, we are very excited about the potential that renovation of these buildings has, not only in terms of beautification, but in terms of providing a slightly more coherent deployment of rooms in the two buildings. That is something that has especially intrigued me in that the beauty and the power, particularly of the Jefferson Building as a kind of coherent statement of vision of the unity of knowledge at the end of the last century, I think as we approach the centenary of that building in 1997 we will have it redone in such a way that I hope that Congress will feel as proud of it as we are excited by it.

So we are very pleased with how it is going. There are some problems, of course. The roof is one and there have been a few others. But basically, we see it as liberating and finding new potential, particularly in the Jefferson Building, but also in the Adams Building. We are thinking about upgrading the science and technology program and bringing that into closer kinds of links with the other disciplines. In general, having the renovation gives us a chance to think coherently about area studies, humanities, the social sciences, and the sciences and to think strategically about the way in which we can get more of the productive America, both the scholarly productivity and the private sector productivity to make use of this absolutely unique base of information which is unparalleled in the world.

BLENDING OF OLD AND NEW

And using both the preservation of the old, making it more accessible, and at the same time developing the potential of the new technologies for putting things on line, for both digital and analog disks and all ranges of modern technologies which you can think about more creatively when you are in the process of reshaping and reconfiguring space and reading rooms.

I have visited the world's first all-electronic library in Japan and the Japanese Diet Library, as well as the new Korean Diet Library, and other major libraries—the British Library, of course, does very interesting things, the Bibliotheque Nationale, et cetera. And I think the Congress would be pleased to know the extent to which they all look to us, they look to this Library that you have built and developed, as one that will help define the possibilities of the future.

I think the Library of Congress plays an international role as well as an important role for the productivity and the educational life of our country. And all of that is accelerated and given concrete form by the possibilities of reshaping these wonderful old buildings and by having wise men like Bill Welsh and this staff to draw on for the accumulated wisdom of not only all that it has done but all that it can do.

Senator BUMPERS. You don't have to be wise; you just have to surround yourself with wise men. [Laughter.]

Dr. Billington, Mr. Ross, gentlemen, thank you very much for being with us. Not only will we place the statement of the Register of Copyrights, Ralph Oman, in the record, but we will have a few questions to supply for the record.

[The statement follows:]

STATEMENT OF RALPH OMAN, REGISTER OF COPYRIGHTS

Mr. Chairman, and members of the Committee, I appreciate the opportunity to be here today, and I would like to give you a brief overview of our accomplishments during the past year, to let you know the current state of the Office, and to touch on some of our future plans.

Accomplishments

Through the dedication and hard work of our staff we processed a record number of claims (604,000), issued 580,000 registrations, cataloged 546,653 items, and prepared over 60,000 pieces of correspondence. In the Public Service area we handled 221,526 telephone calls, received 26,867 public visitors, answered 224,484 requests for information, and searched 131,254 titles. The Licensing Division issued 96,708 jukebox certificates and processed 21,031 cable statements and deposited $67 million dollars for distribution to copyright owners. And the Deposits and Acquisitions Division processed 261,000 items valued at $1,075,000.

We are increasing our reliance on automation, which has helped and will continue to help us cope with the ever-increasing workload. The COINS system has helped stabilize the workflow, and we have implemented an on-line jukebox record-keeping system for Licensing Division.

Although I am very proud of our accomplishments, we continue to fight the battle of increased workloads, reduced staff, and a frozen budget. In spite of this gloomy picture, we have struggled to maintain our excellent level of service to the public, and we have generally succeeded. We still issue registration certificates in about six weeks. Unfortunately, the cataloging backlog continues to climb. Last year we had requested funds to fill six vacant positions in the Cataloging Division, but we got caught in the Big Wringer.

During the year, my professional staff and I have spent thousands of hours working with Congress on copyright legislation; we testified at hearings; provided technical assistance in the preparation of legislation; and submitted specific reports on topics such as:

- U. S. Adherence to the Berne Convention
- Source Licensing
- International Copyright Protection and Trade
- New Taping Technology
- Proposed Design Legislation
- Semi-conductor Chip Legislation
- Copyright Piracy
- Library Photocopying 108(i) Report
- Colorization of Black and White Motion Pictures
- Registration of Computer Screen Displays
- Manufacturing Clause Requirements
- Satellite Dish Technology

With an eye to the future, I am continuing to work with my entire staff to find new ways to get rid of mindless grunt work and increase automation and job satisfaction. We will also work closely with Congress on passage of the Berne implementing legislation, and on the establishment of an "International Copyright Institute" that would train officials of developing countries on the importance of protecting copyright. Last but not least, we will work with Congress to plan a gala celebration in May 1990 that will commemorate the bicentennial anniversary of the first copyright and patent acts.

I will be happy to answer any questions you have, now or in writing.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to the Library subsequent to the hearing:]

QUESTIONS SUBMITTED BY THE SUBCOMMITTEE

Future Plans

Question. Dr. Billington, you have spoken of ways in which the Library can "reach inward more deeply" and "reach out more broadly" would you share with us your objectives?

Response. The Library of Congress has resources both in collections and staff that need to be cultivated more effectively. That is, we must first provide an atmosphere in the Library that will allow our very talented staff to reach their full potential and become more productive, efficient, and thoughtful in serving the Congress, the scholarly world, and the nation. We need to find new ways-- using new technologies when necessary -- to exploit fully some of the most marvelous collections of knowledge gathered anywhere in the world. This knowledge needs to be shared with the Congress and the nation and with other libraries. We need to be seeking to identify and evaluate ways to serve as a catalyst for helping librarians get more people to use libraries actively and imaginatively to assist libraries. In order to tap this unique national resource and to determine rationally the many possibilities the Library presents, the Library-wide review process I discussed in my opening statement has been structured to do this. What should the Library of Congress be doing in the 21st century?

Question. In your statement you state that the Library is a national resource largely untapped. What can we do to tap that resource more effectively?

Response. The Library of Congress must utilize all the new technologies -- with the goal of sharing its resources with the Congress, the scholarly community and other libraries. We need to promote scholarly interchange between our staff, the scholarly community, and the Congress. One of the responsibilities of the proposed director of scholarly and cultural activities will be to promote the exploitation of the resources the Library has in support of the scholarly, artistic and cultural communities of the nation. For instance, there seems to be a particular underusage by Ph.D. candidates and other scholars of our extraordinary special and foreign language collections and our private sector research and development resources in science and technology. We must reach out to these communities and offer them our services. Because of the breadth and depth of our collections, we must find ways to share this knowledge with the general public, whether it be through traveling exhibitions, the promotion of reading through the Center for the Book, assistance to libraries, or meaningful exchange with this nation's elementary and secondary educators. It is hoped that our review process will result in a new direction for the Library in sharing its resources.

Question. You have also undertaken to review the current activities in the Library in order to find ways to improve the operations. In the short time you have been there, are there any areas that you think should be looked at more critically than others?

Response. It has been a short time. I have given special attention to staff relations, working with the various staff organizations and the unions in finding ways to develop fully the potential of each member of the staff, making the Library a more productive and efficient operation. I have been having a series of coffees for staff to give them an opportunity to express their views on ways to improve the Library. Our review of the Library has four goals: (1) efficiency and economy; (2) increasing and deepening the direct scholarly use of the Library's great collections; (3) improving and rationalizing the Library's service to the Congress and the government; and (4) identifying and rationalizing the appropriate broader services for the nation.

Question. You have proposed a director for the Council of Scholars. How do you see the role of this director and the Council in the Library?

Response. The requested position in the Office of The Librarian is for a full-time leader who will direct the numerous scholarly and cultural programs, including the Council of Scholars, which are now spread across several departments of the Library. This person will promote scholarly interchange between our staff, the scholarly community and Congress, and will also coordinate our public cultural programs in music, poetry and literature. The first major event of the Council of Scholars under my direction will be to gather together at the Library some of the great government figures of the recent past and some of the world's greatest scholars to discuss with Members of Congress for two days the question of the proper relationship between knowledge and power in a democratic society. I hope that the Council will find new ways effectively to link democratic government with reflective scholarship.

Congressional Research Service

Question. Mr. Ross, you are asking for funds to fill 34 currently vacant positions. Which disciplines are hardest hit by those vacancies?

Response. The following subject areas are the most severely affected: international trade, budget process, arms control, education, foreign policy, defense budget, securities law, defense technologies, agriculture, mineral resources, health, biotechnology, money and banking, and income maintenance.

In addition, we need to fill positions in regional analysis (Africa), water resources, law and new technologies, administrative law, civil rights, economic development, energy, environmental health, federal statistical policy, industry analysis and finance, international law, international security affairs (human rights), computer telecommunications, antitrust law, public finance and taxation, regulatory economics (electric utilities/gas), international security (Western Europe), and social legislation methodology.

In filling these vacancies, CRS' highest priority in FY 1989 is affirmative action. In FY 1988 we have committed significant resources to two affirmative action programs -- the new CRS Graduate Recruit Program and the Library's ongoing Graduate Cooperative Education Program. These programs provide appointments ranging from three to sixteen months for graduate students and recent graduates. In FY 1989, when these temporary appointments end, we hope that many of the participants will become permanent analysts, covering the issue areas listed above.

In addition to filling these research positions, CRS' goal is to keep support positions filled. Secretaries, editorial assistants, technicians, research assistants, clerks and library aids are critical to maintaining basic operations and productivity.

Once these vacancies are filled, CRS' capability to serve the Congress by providing in-depth analysis and quick response will improve. Even with the high vacancy rate, CRS tries to respond to every request in some fashion. However, in order to do so, present staff are required to cover several subject areas and cannot treat requests as fully as necessary or provide appropriate specialized treatment. Compounding the problems created by a high vacancy rate, our workload for the first months of the fiscal year is significantly higher than the previous year.

Question. Do you have trouble recruiting and retaining qualified individuals in certain issue areas?

Response. On the whole, we do not have trouble recruiting or retaining analysts. Like everyone else in government, there are a few scientific and technical fields that are difficult to recruit for, especially when looking for minority candidates. However, our turnover rate for analyst positions is relatively low compared to other positions. Of the last 20 analyst positions which became vacant, more than half of the incumbents retired, left on disability, or died. Of the eight who resigned to accept other positions, four went on to higher paying jobs in the private sector, one was hired by a congressional committee, and three assumed responsibility for programs in the executive branch.

Question. You are also asking for increases for tuition, training and attendance at meetings. What is your current level of these activities and how will this increase improve service to the Congress?

Response.

Current Funding Level

Funding for attendance at meetings is currently $23,900. In fiscal 1985 the funding was $53,100; unfortunately, we had to make cuts to many nonpersonal services in response to the required Gramm-Rudman-Hollings reductions. In the short term this strategy saved jobs, but in the long term it adversely affects staff and their efforts to keep current in their fields.

In fiscal 1987 CRS was able to provide funding for 69 professionals to attend meetings. Of these, 65% were required to finance much of the travel themselves because CRS could not afford to provide full funding; this results in inequities based on an individual's financial resources, and most often adversely affects junior staff.

Funding for training purposes is currently $74,700. During the last fiscal year, we were able to conduct 15 in-house courses and to send 144 staff to workshops or university courses.

Benefits of Increased Funding

CRS attendance at professional meetings permits staff to bring back new ideas to the Congress before they are published, to identify possible witnesses for congressional hearings, and to keep current in their fields of expertise.

Members of Congress must make policy decisions based on the information available to them; they do not have the luxury of postponing decisions until definitive information is published and widely available. The latest information, including new developments, theories, and data is often unpublished and unavailable--except through contact with the leading authorities in the field at professional meetings.

Congress benefits when CRS analysts are aware of these developments and able to apply this information to the analysis of public policy issues. It also benefits through CRS' development of contacts with experts whose knowledge and insight can be tapped when responding to inquiries, or who might be suggested as good witnesses.

The requested increase in funding to support meetings travel would allow additional members of the CRS staff to gain increased knowledge in their field of expertise, and to develop and strengthen their professional contacts. With exposure to the latest developments and theories, and to the people responsible for them, CRS analysts can draw on this expertise to provide better and more timely assistance to Congress. The following examples, from but one of our seven research divisions, illustrates the specific benefits to the Congress:

- A specialist in public finance spoke at a conference in Atlanta where he established contacts and relationships with the Government Finance Officers Association. These relationships led to the Association's research director participating in a CRS seminar on the effect of Federal tax-exempt bond policy on the state-local sector; it also led to the Association jointly sponsoring a seminar with CRS for the House Public Works and Senate Banking Committees that staged a mock tax-exempt bond issuance conference with a Boston public official, a Chicago bond lawyer, and a New York underwriter.

- A specialist in transportation obtained information on trucking insurance problems while participating in a meeting in New York City. The information he gained enabled him to explain policy options to the House Energy and Commerce Committee that were later formally proposed by the Department of Transportation and the Interstate Commerce Commission.

- An analyst in international trade and finance delivered a paper on the potential impact of proposed legislation on Mexico (H.R.3) to the Transportation Research Forum. Through this forum, the analyst developed a number of contacts with Texas state officials and with academics, and through them with the Mexican First Secretary for Economic Affairs, that were useful in providing information to the Congress in considering recent legislation.

Optical Disk

Question. Another area that the Library has been a technological leader in is the use of optical disk for storing and retrieving newspaper and magazine articles. You are once again this year requesting funds to replace an antiquated microfiche system with this technology. Tell us about this proposal.

Response.

Description of the CRS SDI Service

The Selective Dissemination of Information (SDI) Service is a public policy current awareness service provided to Members of Congress, their staffs, and CRS researchers since 1970. Each week recipients receive a set of cards listing the most recent material published on those subjects, culled from some 3,000 journals, and from hundreds of congressional and government documents and research studies reviewed by CRS subject bibliographers. From these citations, Members and their staffs request the actual text of specific items of interest, which CRS staff then copy and forward to them. In fiscal year 1987, we sent over 54,000 items in response to such requests, totalling an estimated 1,080,000 pages of material.

We currently send the weekly SDI card printouts to approximately 700 congressional staff; based on studies, we estimate that these recipients share their printouts with some 4-5 colleagues, resulting in a total of 2800-3500 total congressional users. In addition, over 360 CRS analysts depend on the card service to help keep current in their subject areas.

The SDI Service cards sent to congressional offices are produced from a data base of citations to public policy literature created by CRS subject bibliographers since 1969. In addition to generating the cards, the data base is used for online searching by congressional offices and CRS researchers through the Library's SCORPIO retrieval system. In fiscal year 1987 the data base was searched over 70,000 times by congressional staff to locate material of specific and immediate interest, and by CRS analysts and librarians to respond to congressional research and reference requests. The data base is also searched in a "batch" mode to produce retrospective bibliographies. In fiscal year 1987 over 4,480 such computer-generated bibliographies were produced for congressional use.

In order to provide this hard copy service, CRS creates a microfiche copy of the original item--a process which involves preparation of materials, filming, film processing, quality control examination, and filing. When requests for the text of an item are received, the microfiche files are manually searched, the desired fiche is pulled, copied on specialized microfiche/photocopy machines, and then refiled until the next request. We now have over 194,000 microfiche of public policy materials.

What is Wrong with the Current System?

1. Response time is too long and is increasing: When the system was designed, and for the first decade of operation, the goal was to send the item requested within 3-4 days--the best possible turn-

around time one could expect given the technology available in 1974. However, the equipment which produces paper copy from the microfiche is now almost ten years old. It malfunctions an estimated 35% of the time and repair call frequency is increasing. In addition, spare parts are available only from other "junked" machines, as this equipment and replacement parts are no longer manufactured. As a result, the present turnaround time has lengthened to one to two weeks and continues to deteriorate.

2. Number of subscribers cannot be increased: We have had to limit the number of congressional recipients to no more than 700 because the document production system is labor-intensive and the photocopy equipment cannot accommodate increased volumes. These limitations are magnified by the present unreliability of the equipment. However, our experience has shown that when we have opened access to the service in the past, congressional requests to be added to the weekly current awareness system increased by several hundreds in a fairly short time period, until it was necessary to impose a new ceiling.

3. Future of the document delivery capability is threatened by machine problems: The deterioration of the equipment used to produce copies of material could result in our having to delay, suspend or even discontinue the service. Thus, a replacement system must be planned and implemented within the next twelve to eighteen months if CRS is to continue to provide the full text of articles and documents efficiently and quickly, and to have necessary resources for CRS analysts and librarians to use in responding to research and reference requests.

The Fiscal 1989 Request

CRS' participation in the Library's Optical Disk Pilot Project has demonstrated that this technology would be an effective replacement for the current document storage and retrieval system, and also provide the basis for an improved and expanded service in the future, including direct congressional access to the scanned materials.

Thus, we are requesting $704,000 for dedicated scanning, retrieval and printing devices needed to run the CRS document delivery system. The equipment will operate as part of a Library-wide system, utilizing other optical disk equipment located in the Automated Systems Office. Some of that centralized equipment is already owned by the Library, some is also requested in this budget ($570,000).

Question. Are you looking at ways that Senators and staff could access this system directly and not have to call CRS to make an inquiry?

Response. In the future, it will be possible to make this system available to Members and their staff through congressional office terminals. Establishment of the full network at this time, however, would be very costly and the Library does not yet have in place the core system to support the larger network. There are a number of major prerequisites to establishing a full Capitol Hill network for this kind of image transmission:

1. Certain technical developments would be required, including a determination of the best method for transmission of data (congressional cable vs. digital switches);

2. The transmission system (congressional cable or digital switches) would have to undergo some upgrading;

3. The establishment of this network will require considerable advance technical coordination between the House, Senate, Architect of the Capitol, and the Library;

4. Congressional offices will have to acquire an appropriate receiving device. At this time, the most likely choice appears to be a Group IV Facsimile device, which would also be capable of standard fax transmission. This equipment is still relatively expensive, but in a few years we hope to see them in the $5,000 to $10,000 range. By the time these prices come down, other technical options might also be available;

5. There will be additional costs associated with expansion of the network to congressional offices in the areas of telecommunications equipment, installation, maintenance, and staff time to implement such a system.

Therefore, the Library recommends incremental growth rather than construction of the entire network at one time. The fiscal 1989 request will provide the minimum configuration required to replace the existing CRS SDI system, and it provides a core system which can be expanded to congressional offices in the future.

Bicentennial of Congress

Question. 1989 will make the Bicentennial of the Congress, what activities or events does the Library have planned to make that milestone?

Response. The Library of Congress is planning to undertake four events in 1989 in observance of the Bicentennial of the Congress with appropriate publications and by-products.

1. An exhibit built around historic political maps and artifacts to open in February in the Jefferson building.

2. A conference, "Toward a Broader Understanding of the U.S. Congress." sponsored by the Library's Congressional Research Service for February 9-10, 1989.

3. A symposium of the Library's Council of Scholars addressing the topic, "Knowledge, Power and the Congress." Tentatively scheduled, March 8=9, 1989.

4. A major exhibit, with a working title "The Congress of the United States: The First Two Centuries," to open in the Great Hall of the Library of Congress in September, 1989.

Law Library

Question. As you know, it was necessary to return the portion of the Library of Congress Law Library to the Madison Building from the Capitol in order to reduce the load limits on the 4th floor of the Capitol. An arrangement was made to keep the Madison Building Law Library open when either house was in session. How did that work out during the Senate's recent all night marathon session? Did you get any calls?

Response. A reference librarian remained on duty in the Madison Building Law Library Reading Room during the recent continuous Senate session. During the extended period of the session, no requests for service were received from Congressional sources.

Congressional Research Service

Question. Mr. Ross, as you know, the continuing resolution contained language urging the CRS to "review the staffing needs in the Economics Division relating to the operation and regulation of the property/casualty insurance industry". What is the status of this review? When will the CRS add employees in this field?

Response. A vacancy announcement for two Economic Analyst (Insurance) positions, requiring specialized experience in casualty/liability insurance and related industries is currently posted. As with our other postings, affirmative action recruitment is a high priority in the staffing process. We anticipate that evaluation of the applicants will take place in early April, with selections to follow.

Question. How many requests did CRS have last year? How does this compare to previous years?

Response. Last year, CRS workload approached the 450,000 mark. It increased from 433,666 in 1986 to 443,433 in 1987. Of the 443,433 requests received last year, over 288,000 were from Members, and nearly 93,000 came from Committees. This year's workload is increasing rapidly, exceeding the level last year at this same time period by 17 percent. Although the daily request load has slackened slightly in the last few weeks from a rate of over 1300 per day at its peak, we are still experiencing a daily rate of about 1100 currently.

A steady rise in workload over time was interrupted in 1986 by the service reductions necessitated by the Gramm-Rudman-Hollings budget reductions. As a result of the appropriations granted in 1987 and 1988, we were able to restore some of the essential services. We have also made a concerted effort during the past year to make our services and products more readily accessible and easily available to the Congress. This has paid dividends in better and quicker service to the Congress, but it has also meant an increase in our workload. We anticipate that our workload in 1989 will show the same strong upward trend, unless the shortened session in this election year takes some of the steam out of the present growth rates later in the year.

Printed below are the year-by-year totals since 1980.

Fiscal Year	Number of Requests Cleared
1987	443,433
1986	433,666
1985	457,837
1984	442,247
1983	418,859
1982	430,610
1981	372,997
1980	313,201

Question. Has the personnel level of the CRS fluctuated much over the past few years?

Response. Yes. Since 1980, the percentage of permanent positions vacant as of the end of the fiscal year has varied widely, reflecting changes in the "lapse"-- the difference between the total amount of funding necessary to fill all of the authorized positions and the amount of funding actually appropriated and available for expenditure. Absorption of pay raises and cuts required by budget reduction measures account for this variation in the lapse.

Because there is always some turnover, a lapse of between three and five percent is considered "normal" for most agencies. When translated into vacancy rates, this means that approximately 40 positions would be vacant at any given time, while the recruitment and selection process takes place. However, when the lapse is high, positions must be left vacant for longer periods of time during the fiscal year. The following table shows the fluctuation in vacancy rates between 1980 and 1987.

Year	Number of Authorized Permanent Positions	Number Vacant	Percent Vacant as of 9/30
1980	868	39	4.4 %
1981	849	75	7.5 %
1982	849	81	9.5 %
1983	853	41	4.8 %
1984	858	26	3.0 %
1985	860	63	7.3 %
1986	860	126	14.7 %
1987	860	89	10.4 %

Book Deacidification

Question. The Library has been a leader in a new book preservation technique known as the DEZ process. Your original plan was to build a plant and do the work yourself. We now have your letter stating that you intend to contract with a firm called Texas Alkyls who will construct the plant and you will buy the services from them. How will this affect your FY 1989 budget request?

Response. The effect of this new initiative on our 1989 budget request will be to remove the $650,000 intended for the toxicological studies.

Question. Your letter also states that with the remaining $7.9 million in research money you will not require additional appropriations until FY 1992. How many books do you estimate will need this treatment? What is the estimated cost per book?

Response. We currently estimate that 10-11 million books in the Library's collections will benefit from deacidification treatment. We are now estimating that the total cost for deacidifying will be between $3-$5 per book. With the remainder of the $7.9 million in the deacidification program budget we estimate that approximately $4 million can be spent deacidifying books before we would require additional appropriations in 1992 to pay for book deacidification.

Question. The contract, as noted in your letter, will call for a continuing need for 1 million books to be treated each year. How does that compare with your original plan where you were going to own the plant?

Response. The treatment rate of 1 million books per year is the same as our original plan. This number would be attained after two to three years of operating the facility because we have to build up to the level of moving one million books in and out of the Library per year.

Question. How many books become brittle each year, how long will this service be required?

Response. We estimate that 77,000 books become embrittled each year. This estimate is based on a survey in 1984 of the condition of books in the General and Law collections. We estimate it will take 20-25 years to deacidify all paper-based materials in the Library's collections.

Question. The other major method preservation used by the Library is microfilming, which you are requesting funds to accelerate in 1989. How does this event affect that request?

Response. The deacidification program will have little effect for decades on the microfilming program because there are so many books in the Library that will not be helped by deacidification and for which the only viable alternative is microfilming. In the long run we hope there will be a major positive effect leading to a diminishing microfilming program because many millions of volumes will be deacidified and stabilized against becoming brittle for centuries.

Damage to Senate Collection

Question. The Secretary of the Senate has informed us that certain Senate documents stored in the Adams Building were slightly damaged last year when environmental control systems failed. He has also testified that the installation of a new air conditioning system will prevent a similar episode in the future. First of all, have the damaged materials been restored, and secondly, are you satisfied that the current storage is secure against further damage?

Response. The Library of Congress has no assigned responsibility for the Senate documents stored in the Adams Building. These documents are under the control of the Senate Library and the Library of Congress does not have access to this area.

On August 10, 1987, the Library's Preservation Office was contacted by the Senate Librarian, who asked advice on handling the fungus growth problem, which was discovered by the Senate Library staff. The Library of Congress provided advice and assisted by cleaning mold from the area and the collection.

The Preservation Office has had no contact with the Senate Librarian on this matter since last summer and has not been asked to restore or evaluate the current storage conditions. As a result of this inquiry, the Library's Preservation Office contacted Mr. Roger Haley, the Senate Librarian, who reports that the storage area in the Adams Building was assigned to the Congress in the early 1940's. It is at present under the control of the Secretary of the Senate and the Clerk of the House; however, no House materials were involved in the situation last summer.

Mr. Haley reports that because of the swift and cooperative efforts of the Architect of the Capitol and Library of Congress staff in stabilizing the environment by installing an additional air conditioning unit and thoroughly cleaning the collection, walls, and floor, the documents were not damaged. Mr. Haley informs the Library that the Architect of the Capitol has been asked to provide appropriate air conditioning and humidity controls for the area's long term use for document storage. Since the episode of mold growth has been attributed to very high humidity levels in the area, it is reasonable to expect that stable environmental conditions will prevent a recurrence.

Emergency Plans

Question. The damage to the Senate materials last year raises the larger question of what plans you have to respond to widespread damage to your collection. I have in mind the response of Stanford University in 1979 after a flood caused major water damage to their library holdings. Stanford was able to truck the damaged volumes to flash-freezing facilities in the area, freeze them, then move them to vacuum chambers for drying. Only a very few volumes were lost. I am told that we have a similar plan in the Senate should we suffer a catastrophic event in the Capitol. Could you evaluate on the Library's contingency plans for such an event?

Response. Library staff are experienced in handling water damaged collection materials. We have the capacity, within house, to respond to fairly large amounts of water damaged materials. Technical expertise for identifying, evaluating, and treating damaged materials is immediately available in the Preservation Office. Also, staff, experienced in packing, sorting, and cleaning materials, is available from Collections Management Division. The Library has identified additional resources from private companies who specialize in very large-scale situations. These organizations are able to supplement staffing resources, freezer space, trucking needs and to locate, set up, and operate processing and drying facilities, both on the premises and off site.

ARCHITECT OF THE CAPITOL

STATEMENT OF GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

ACCOMPANIED BY J. RAYMOND CARROLL, DIRECTOR OF ENGINEERING

SUMMARY OF STATEMENT

Senator BUMPERS. Our final witness today is the Architect of the Capitol, George White.

We have copies of your statement, George, which we have had a chance to look over, and if you could summarize your statement, that will be of help to the committee. Your full statement will be entered in the record.

Mr. WHITE. Thank you, Mr. Chairman. Let me just summarize briefly by saying that, as you know, our increases are divided into five categories by the way we present it.

MANDATORY ITEMS

One of them is mandatory items, which are items required by law. And that amounts to 7 percent of the increase. New positions amount to 3 percent of the increase. We have asked for 33 new positions, 6 of which may be withdrawn as a result of some recent reexamination by the Police Board, and that is the 6 that were talked about being transferred from the Capitol Police to the Architect, which would reduce that 33 to 27. I would like to at some point speak further with regard to the need for those positions.

ANNUAL RECURRING MAINTENANCE

Our annual recurring maintenance is 5 percent of the increase. Those are the items that just occur every year—painting and supplies for parts that are needed to repair equipment and that sort of thing.

CYCLICAL MAINTENANCE

Then we have what we call cyclical maintenance, which are those things that happen every 15 or 20 years, like roof repair or sidewalk replacement and so on. That is 9 percent of the increase. And the bulk of the increase is the continuing and initiating other programs, which is 76 percent of the increase.

CONTINUING AND INITIATING OTHER PROGRAMS

There are a number of items in there that are listed in the statement, such as the House monumental stair, which needs replacement at some point on the east front of the Capitol. That is $3,385,000. There is an item for $10 million for the Senate subway system; remodeling of the main kitchen in the Dirksen Building, $929,000; furniture and furnishings for the Hart Building, $1.5 million, et cetera, et cetera.

SECURITY SYSTEM REPLENISHMENT

That is why those items total the 76 percent. They are the large items. Then there is another item which we have asked for, which is the replacement of funds that have been reprogrammed previously—the $445,000 which is sorely needed, as you may recall from a letter that I wrote about that, and it seemed that there had been some inadvertent overlooking of what that was doing to the security system, and so we need that reprogrammed.

As a matter of fact, if the committee agrees to replace the reprogrammed amount, we would like to reprogram from something else, which we would write about, as soon as possible, because we need not—we should not wait until October to begin to close the patient up which we have opened up, and now we have stopped because there are no funds to proceed. That has left us with 70 percent of our capacity and probably 50 percent of our efficiency in the security all over the Hill, from the electronics standpoint.

WEST CENTRAL FRONT

Then I mention briefly two major projects. As you know, the West Front was completed in September 1987. We were a year ahead of schedule and $26 million under the budget, which we think is something we would like to repeat on future projects in a proportionate way if we can.

LIBRARY OF CONGRESS RENOVATION PROJECT

And second, to report that the Library of Congress renovation and restoration is proceeding very well. We are about 4 months behind schedule but we are well within the budget and we hope to be able to pick up those 4 months over the next several years as the project proceeds, particularly in the time of movement of the Library into the new space before we can then begin in the space that they now occupy. So we are quite pleased with that.

That really is a brief highlighting and I will be pleased to answer questions.

SENATE ELEVATORS

Senator BUMPERS. I got your response to my letter inquiring about the elevators, and one of the things you had pointed out was that we might add new elevators to the office buildings. How would you go about doing that?

Mr. WHITE. Well, there are two ways in which it can be done, at least the two ways we have thought of on the House side, because we were conducting a similar study there.

Senator BUMPERS. Incidentally, I think the private Senators' elevators were added, weren't they?

Mr. WHITE. That is correct; in the Dirksen Building the three elevators. And in that regard, we have a request for some funding to modify the controls, and that has been approved by the Rules Committee, to separate one of those elevators from the controls of the other two so that staff can use the one elevator.

Really, those elevators were installed when almost one-half the Senate was in that building, and now there are only 15 Senators in there.

Senator BUMPERS. In Dirksen?

Mr. WHITE. In Dirksen.

Senator BUMPERS. How many are in the Russell Building?

Mr. WHITE. There are 35, I believe; 35 or 36.

Senator BUMPERS. And then the rest are in the Hart?

Mr. WHITE. And 50 in the Hart Building.

Senator BUMPERS. So for the 50 you get one subway.

Mr. WHITE. That is right. And furthermore, 50 have 2 Senators' elevators in the Hart Building, and 15 have 3 Senators' elevators in the Dirksen Building because of the shift.

Senator BUMPERS. I have always thought that was a real waste of resources there.

Mr. WHITE. But in any event, we could handle some of the vertical transportation in a better way in the Dirksen Building by making one elevator there available to staff. And the suggestion was made by Senator Ford that it be the elevator farthest from where you enter so that the public does not see that being used.

ADDITIONAL ELEVATOR CAPACITY NEEDED

The primary problem, of course, is that with the old buildings, there is two to three times as much population in the building as they were designed for, particularly the Russell Building, completed in 1906. But the vertical transportation is just not capable of handling all of that traffic, no matter what we do to it.

Now, obviously it needs improvement, as I said in the letter. But there is still a difficulty, which we hope to be able to alleviate by adding an elevator. We hope to add it—on the House side, we have two concepts, primarily in the Longworth Building—either within the courtway, or perhaps even as a projection out in the street, on the outside of the building, exterior to the building in some way that might be designed that would be acceptable. We are not sure that it would be acceptable.

But if we—on the House side particularly, but certainly also true of the Senate—if we place the elevators within the building we begin to take away space that is sorely needed within the building. But within the courtway we think there might be a way to do it, particularly in the Russell Building, and that is something we would like to study, to add vertical transportation.

RUSSELL BUILDING SENATORS ONLY ELEVATORS

Senator BUMPERS. On the three elevators in the Dirksen Building—there are no private Senators elevators in the Russell Building are there?

Mr. WHITE. No.

Senator BUMPERS. I know how you push the Senators button and all. I never do that. Frankly, I do not know what purpose that serves.

Senator GRASSLEY. It cuts everything short and it will bring the elevator right down.

Mr. WHITE. That is right.

Senator BUMPERS. I thought that was just an admonition to the public that don't dare get close to this elevator. [Laughter.]

Mr. WHITE. No; it brings it right down.

Senator BUMPERS. It actually does?

Mr. WHITE. Yes.

Senator BUMPERS. Well, why couldn't we put a system like that on those three elevators in the Dirksen Building so they would be used.

Mr. WHITE. Well, we could do that, also. We thought separating one elevator from the controls—right now when you push a button, the closest of the three elevators comes immediately. You will notice that it arrives almost immediately. And we thought two arriving almost immediately would be enough.

On the other hand, that could be another factor that we could add. But that then removes those elevators from private Senators use and that is entirely up to you to decide.

Senator BUMPERS. We would want to talk to the Rules Committee about that. That is really not the prerogative of this committee. We just furnish the money to do whatever they decide to do.

Mr. WHITE. Technically it certainly can be done.

Senator GRASSLEY. If you could just educate people that go one floor to walk instead of riding the elevators——

STAIRWAY USAGE RECOMMENDED

Senator BUMPERS. You could put up signs around suggesting if you are just going one floor to please take the stairway.

Mr. WHITE. That is right; particularly in the Hart Building.

Senator GRASSLEY. Yes; that would make a difference.

Mr. WHITE. Particularly in the Hart Building. There is a lot of traffic coming from that subway; people traffic, not Senators alone.

ELEVATOR MECHANICS

Senator BUMPERS. George, on the number of mechanics we have, you said in your letter that you have 10 mechanics for 45 elevators and you have got 2 positions open.

Mr. WHITE. That is correct.

Senator BUMPERS. No. 1, what kind of training do these elevator mechanics have?

Mr. WHITE. Well, they are all journeyman mechanics that have gone through the elevator mechanics apprentice process.

Senator BUMPERS. Where do they do that?

Mr. WHITE. I guess they do it elsewhere, because we only hire journeymen. Out of the private sector, of course, the private sector unions.

Senator BUMPERS. Does Otis, for example, have some kind of program to train mechanics?

Mr. WHITE. I believe they do.

Ray do you know?

Ray Carroll is our Director of Engineering. Perhaps he can answer.

Mr. CARROLL. Yes, sir; there used to be a GSA school for elevator mechanics. This was 8 years ago or so. That has been discontinued. There really is no organized training program for elevator mechanics that I know of currently except through the private companies like Otis and others, Westinghouse, and so on.

Senator BUMPERS. Maybe that is our problem.

Mr. CARROLL. No question about it, sir; I agree. It is one of our real problems—training our mechanics for the modern elevator equipment, which is mostly microprocessor controlled.

PRIVATE SECTOR SALARIES HIGHER

Mr. WHITE. Another factor, however, to consider in terms of a problem is that the private sector pays more money than we are able to pay and we have had these two vacancies, for example, arise out of mechanics going to the private sector in order to earn a little more money.

Senator BUMPERS. What do those jobs pay? Does anybody know?

Mr. WHITE. Yes; I'm sure we have it here some place. It is about $12 an hour, starting salary.

Mr. CARROLL. The private sector pays around $20.

Senator BUMPERS. That is a pretty complicated business, isn't it?

Mr. WHITE. It is, and getting more so. As these elevator mechanics begin to learn more about microprocessors and computerized controls, they become valuable to the private sector and we cannot pay then accordingly. And we have difficulty then in hiring others.

Senator BUMPERS. How does 10 mechanics for 45 elevators—how does that compare with the private sector? Does anybody know?

Mr. WHITE. Well, it gives us 5.6 people per elevator.

Senator BUMPERS. You mean 5.6 elevators per person.

Mr. WHITE. Yes, 5.6 elevators per person. I believe the private sector has a much, much greater percentage of elevators per person. But they do not—you know, I am not sure they maintain them.

Senator BUMPERS. They are not dealing with 50-year-old elevators?

Mr. WHITE. That is right.

I was just reminded that our elevators are probably used to a greater degree than most private elevators, in hours as well as in intensity.

Senator BUMPERS. I tell you something is going to have to be done, George. You have got a study ongoing, you said?

ONGOING ELEVATOR STUDY

Mr. WHITE. Yes. You may recall, as I mentioned in the letter, that the study that we previously made resulted in our request for funds and we are now modifying and improving in the mechanical way the elevators in the Dirksen Building. That is underway.

This spring we will have a study underway for the Russell Building and we will be coming back for improvements there. But the real improvement needs to be what we have received money now to do on the House side, which is to modify the old mechanical-electrical system with these little relays and switches that click. You may have heard them in some of the elevator machine rooms if you are up at the top floor of a building. And to modernize that to microprocessors like we have in the Hart Building, which is a computerized control and there are no mechanical switches and relays.

We will come to you with a recommendation for that. Now, that will not improve the capacity to carry people, except in the sense that there will be less down time. And what we have now is a used car, in effect, and you replace the carburetor and then the water pump needs replacement. And then after you finish with that the oil pump needs replacement.

So that the level of service is always less than it ought to be. You are just constantly going from one repair to another on a used car and we really need to replace the engine, I guess, and that is what we are going to propose to do.

Senator BUMPERS. Senator Grassley?

OVERALL BUDGET INCREASE AND LIMITATIONS

Senator GRASSLEY. Yes. My question is a more basic one, and that is in regard to the overall budget that you request, which is $140 million. It would be a 28-percent increase over the fiscal year 1988 appropriate level.

You are requesting an additional 33, and I think you said somehow that is really 27, but authorized positions. Either one would bring that total to 2,100 and a few more. Compared to the actual staffing level for fiscal year 1987, that represents an increase of 192 people, which is a 10-percent increase.

Of course, I have been reminding everybody of the budget summit, you know, and the requirement that we have to live within a 2-percent increase, and this committee is probably going to have to show the most leadership of all the committees because we decide for the Congress itself.

That 2-percent increase would be fiscal year 1987 over fiscal year 1988 aggregate levels for nondefense domestic discretionary spending.

Now, in that context, and that is really, you know, really squeezing down, surely you have to realize that your fiscal year 1987 funding and personnel requests are unacceptable. I am not saying they are not justified. I am just saying that they are unacceptable in light of the realities of the budget here and probably will be sharply reduced.

So, you know, we are trying to ask the various departments that come before us for guidance on your priorities or whether, if you do not want to give us that guidance, then we are going to have to make wholesale reductions probably across the board.

YEAR-END EMPLOYMENT COMPARED TO AUTHORIZED STRENGTH

Mr. WHITE. Well, let me respond first by making what I think is a correction. The 100-some employees that you mentioned I think is a comparison with the number of employees held at year end, rather than the total authorized number of people. The reason I say that is, we have only asked for, I think, six or seven new employees during the last half dozen years.

We have been very reluctant and have withheld asking for new employees. We have reached the point now where in order to properly—and the bulk of these are in the electronics area, as I think you will discover, or maybe you have already discovered. And we are in a position where it is not possible for us to serve the Congress in the way that they anticipate to do preventive maintenance on electronics systems.

For example, the duress alarms which are in every Senator's office, when you hit that button the police come if there is a problem. Those are not being preventively maintained at all. We are doing all we can with the people we have now in installations and repairs. It is that kind of thing, and I just mention that one because it is a spectacular one. But it is true in general with the maintenance of the TV systems and the computers and the book conveyors in the Library, et cetera.

So in that instance, we really feel we cannot properly respond to what the Congress says it wants without those additional people.

Senator GRASSLEY. Let me suggest where my figures came from. Schedule A, fiscal year 1987 actual, 1,917. And then fiscal year 1989, estimate, 2,109 people.

Mr. WHITE. That 1,917 is the year-end employees at the end of the year. But the total number of authorized positions is——

Senator GRASSLEY. Well, I do not think that that detracts, though, from my basic question to you.

Mr. WHITE. No; the principle is nevertheless valid. Just the numbers I do not think are correct.

Senator GRASSLEY. OK. We will sit down and get our numbers right with you. But basically I am talking about a relationship that the committee will have with you as we are going through this process.

POTENTIAL BUDGET REDUCTIONS

Mr. WHITE. All right. Now, let me respond because it is a fair question. What can we cut? I believe that we can cut a lot of things, some of which I mentioned in the last category of our increases. For example, there is a $10 million item in there which is 25 percent of the increase, more or less, for the Senate subway.

We are getting along without it now. That is not to say your colleagues do not want something better but——

Senator GRASSLEY. Do you think the Rules Committee will make a decision in this 1989 fiscal year on that? Are you anticipating that? Is that why that was included?

Mr. WHITE. Yes; we are anticipating a decision to be made. The report is in the process of being prepared now and we anticipate that prior to the end of the year a decision will be made.

On the other hand, that is a good way to pick up $10 million. I mention that in response to your question. Some of the other items, for example, I am not sure that this is a valid one but let me tell you what it is. We have a million dollars in here for additional computer system installations in the Senate office buildings. We have provided by Rules Committee direction, I will call them voltage control devices which we think ought to come on the equipment. It does come on some equipment, but on some it does not. And when a Senator installs a new computer system we may need this voltage control in order to supply proper voltage at variations in the line voltage, steady voltage, to the equipment, which is what it needs.

Well, they run between $10,000 and $15,000 a unit. Some of them are already in existence, but for 100 Senators we added it up to a million dollars, roughly. We could say that should come out of some place else. It could easily come out of the manufacturer if they are bought that way. So there are some items of that nature. Let me give you some other ones.

The Library has asked—this is the second or third time we have asked at the request of the Library for two new elevators in existing hatchways in the Madison Building.

Senator GRASSLEY. I think you have basically answered my question. But I think what we will follow up with then is some detail on that with you in writing or at the staff level.

Mr. WHITE. Fine.

Senator GRASSLEY. Mr. Chairman, I think the rest of my questions, if you would just let me put them in writing, because I have got to get to a meeting by 10 after 4.

Senator BUMPERS. OK.

Senator GRASSLEY. So would you forgive me for not being here and doing my fair share?

Senator BUMPERS. Absolutely; you bet.

SUBWAY SYSTEM ALTERNATIVES

George, I just have a couple of more short questions. One is, the Rules Committee asked you for alternatives on the subway system, the $10 million subway system.

Mr. WHITE. Yes.

Senator BUMPERS. Have you completed a study? Are you working on one?

Mr. WHITE. We are working on one right now, as a matter of fact. We had a meeting with the consultants just a few days ago. We will have that prepared in the relatively near future in response to their request for the three alternative evaluations and price estimates.

Senator BUMPERS. What would it cost just to replace the cars we have now? Do we know that?

Mr. WHITE. Roughly $3 million.

Senator BUMPERS. Just to replace four subway cars?

Mr. WHITE. Two cars. We are just talking about the—we are only talking about the Dirksen/Hart subway. There seems to be no reason why the Russell subway needs anything. Everybody seems to be quite happy with that.

Senator BUMPERS. That is true. The other two seem to be the ones broken down all the time.

Mr. WHITE. Well, that is right. And, of course, they are running a longer distance and they are running constantly, et cetera. Many people walk to the Russell Building.

Senator BUMPERS. $1.5 million for one of those cars?

Mr. WHITE. $1.5 million.

Senator BUMPERS. Do those have to be handmade?

Mr. WHITE. They are handmade. They are special made. The companies that made those originally are long since out of business. We make our own parts now, which is part of the problem. The frames are getting old and the metal fatiguing and cracking. It is like scar tissue. We have got more scar tissue on there than original metal, virtually.

Senator BUMPERS. Would it be feasible to buy cars that ran faster? Or do you think the speeds are OK?

Mr. WHITE. No; the speed is not the problem. The problem is one of loading time, unloading time. The actual travel distance time is not a big problem. It is the waiting for the car to go back and unload and reload and then come back again. Those are more time consuming than the actual travel itself.

The problem is one, as we recommended, of having a continuous loop rather than a shuttle. The shuttle requires waiting until it returns. A continuous loop means cars are continually coming by and dropping people off and picking others up.

CONTINUOUS LOOP ALTERNATIVE

Senator BUMPERS. If you had a continuous loop would you still use two cars?

Mr. WHITE. One of the alternatives is to do that. One of the alternatives is to take the present-type cars, replace them with similar cars of a lighter nature and lighter driving devices so that we lighten up the whole system in terms of power and maintenance and use, but to make it into what is called a closed-loop system where you switch at the one end and come back on the other track.

That is one of the alternatives, is merely to do that, rather than the so-called induction motor drive, which is all automatic. The other drive, of course—the other alternative does not require any operators. We calculate a good savings with that other system.

But all of these are in the process of evaluation, and that is one of them that you mentioned.

EAST PLAZA GUARD KIOSKS

Senator BUMPERS. How about the guard kiosk on the East Plaza? Are you on schedule with that?

Mr. WHITE. More or less. We are running a little bit behind but within the next 2 weeks they will be operational. We had some difficulty with the supplier, but that is behind us now, except for the decorative roofs, which are not integral to the need. They are waterproof now, but there is a decorative copper roof that goes on those that we had some additional difficulty with. But that is all working out.

But we will be operational with those within the next 2 weeks.

JEFFERSON BUILDING ROOF LEAKS

Senator BUMPERS. Are you aware of the leaks in the roof of the Jefferson Building of the Library of Congress?

Mr. WHITE. I am.

Senator BUMPERS. Have you asked for any money in here to repair the roof?

Mr. WHITE. No; we have not. We have been repairing it out of ordinary maintenance funds. We think we may have—and we are going to continue to try to do that—but we think we may have to come in for some money. Part of the problem is that the copper, when it gets old enough, and of course it expands and contracts in the Sun—as you know, copper has a large index of expansion—and it fatigues over the years and finally a hairline crack will develop which was not there yesterday but is there today.

And it reaches a point where there is so much of that that when you push it down over here it comes up over there and so you have to replace the whole thing. We have been working at replacing sections of that and we hope we will not have to ask for money, but we may have to.

SECURITY PLAN ALTERNATIVES

Senator BUMPERS. Last year you presented us with several alternative security plans at closed hearings.

Mr. WHITE. Yes; of course.

Senator BUMPERS. Whose responsibility is it to take one of those plans and make a proposal to the relative committees?

Mr. WHITE. Well, the responsibility seems to be in the whips on both sides, as well as the leadership. The Police Board, as of this week, has written to the, I will call them the joint whips group, which is the whips on both sides, making a recommendation and it will then be up to them to make a judgment.

Senator BUMPERS. You know, as long as everything is going along well, I guess nobody really feels any sense of urgency. All you have to do is have one terrorist incident or something and them everybody says, Why didn't you do this, and why didn't you do that.

This has sort of been on the back burner since that hearing last year. We really have not pursued it.

Mr. WHITE. Yes. There has been a lot of activity of meetings with the Police Board and efforts to reduce the cost after that hearing, which we did. We found ways to reduce the cost of the so-called plan B that we had discussed in that hearing. We reduced it by—I have forgotten, several millions of dollars anyway, which brought it down into a more acceptable total.

And then there is some difference of opinion, as you know, with regard to the fence, and some difference of opinion, although that has been, I think, taken care of, with regard to the removal of parking on the East Plaza.

The House whips have agreed to remove the parking, but I think they are going to wait until the end of this Congress and do it at that time. The removal of the parking—which is not costly, it is just removing it; there are other places that it can go—is probably the single most dramatic thing that can be done to improve security for the kinds of things that are liable to happen and that can be very damaging.

Individuals coming in the building, you know, are not as——

Senator BUMPERS [continuing]. Likely to do big damage?

Mr. WHITE. I think that is right. And I must say that there is a great deal of merit to your position that sometimes there is a tendency to overthink some of these things and you can be prudent and still not be too extensive.

Senator BUMPERS. There is no limit with what I could conjure up for a perfect security system, and it would just be endless. I could think of something new every day.

Mr. WHITE. That is right.

Senator BUMPERS. But this morning, for example, the Secret Service brought this big German police dog into my office. I was sitting there working on some memos and I could not imagine what it was. And they take the dog in. I said, "What is this?" And they said, "Just routine security."

I said, "Do we have a bomb threat?" "No."

Well, Paul Simon was coming in to see me at noon and I found out later that was the reason they were doing it. Senator Paul Simon was coming so they had this dog in there sniffing all over my place. [Laughter.]

[CLERK'S NOTE: At the date of this hearing, Senator Simon was a candidate for President of the United States.]

As I say, you know, there is no end to what you can think up, I guess.

1989 INAUGURAL

Let me ask you, have you taken into consideration the inaugural in January 1989 and the building of bleachers and all that expense?

Mr. White. Except in a preliminary way we have not because we have all of our cost of the last time, of course. But the Rules Committee—or I understand Senator Ford is to introduce a resolution appointing the Joint Committee on Inaugural Ceremonies.

So far as I know, that has not yet been done but we have done it now twice. The last time it did not get used, as you may remember. So we have our costs fairly well known and we can escalate those and be ready almost immediately with the amount of money that we will need whenever we are asked.

Senator Bumpers. George, thank you very much. We may have a few questions we will submit to you in writing.

TRAVEL LIMITATION

Mr. White. Mr. Chairman, may I, before we terminate, mention two items that I hope the committee will look at. One of them is the travel limitation. It is not an appropriation, but it was cut in half for some reason unbeknownst to us last time.

It has been $20,000—this is a limitation now—for 27, almost 30 years. And we spend somewhere between $12,000 and $15,000, sometimes $17,000 a year and we are almost up to the $10,000 already this year, and it really is a dire limitation on the capacity to operate the office.

We hope even soon to have ask for some way of alleviating that.

Senator Bumpers. Why don't you send me a list of the travel you anticipate for the rest of the year and the approximate cost of it and we will see if we can be helpful.

PAY INCREASE LANGUAGE

Mr. White. I will. One other item, if I may. There was some language introduced last year that had to do with changing the authority for the establishing the salaries of the key employees in my office. It has created a serious morale problem, even though no damage was actually done. And I would hope there would be an opportunity for reconsideration for the need for that language.

It has never been there before, ever, and our people that I need most to solve problems are feeling somewhat uncomfortable with that.

Senator Bumpers. Insecure?

Mr. White. Yes.

Senator Bumpers. OK.

Mr. White. So with those items I would hope that you——

Senator Bumpers. As my father used to say when I would ask for the car on Friday night, we will take it under advisement. [Laughter.]

Mr. White. Thank you.

[The statement follows:]

STATEMENT OF GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

In presenting our appropriations request for fiscal year 1989, Mr. Chairman, I intend to proceed, with your approval, in the same manner as has been the practice for the past several years, that is, to present a brief summary of the various requests, following which I will be pleased to respond in detail to questions regarding any of the specific items that you wish to pursue.

The justifications have been prepared, Mr. Chairman, to include all items pertaining to the "Architect of the Capitol," including House items, Senate items, joint items, and the Botanic Garden.

The total appropriation request for fiscal year 1989 is $140,197,000, which includes funding for 2,109 positions. This represents a net increase of $30,670,000 over the fiscal year 1988 total of $109,527,000. Stated differently, gross increases requested are $43,407,400 which have been reduced by nonrecurring fiscal year 1988 deductions amounting to $12,737,400. If the item "House Office Buildings" is excluded, the $43,407,400 increase for 1989 reduces to $32,850,400, of which $17,751,000 is for Senate Office Buildings. The $43,407,400 increase falls into five categories, namely,

Mandatory Items, which total $3,247,400, or 7% of the increase; This category includes personnel benefits and premium pay items for existing positions and within-grade salary advancements and other changes authorized by law.

New Positions, which total $1,127,000, or 3% of the increase; A total of 33 new positions are requested in the fiscal year 1989 budget. Although I am aware of the restraints placed on the legislative branch in terms of new positions allowed over the past few years, I nevertheless feel obligated to bring these staffing concerns to the Committee's attention. The positions requested are, for the most part, needed to provide support for activities that are workload increases. Other will result in the release of police officers for police activities. Some of these workload increases, such as those for the EMCS system, will lead to long term cost savings in avoided energy costs. Other workload increases have been brought about by circumstances beyond our direct control, as in the case of the mechanics needed for the legislative clock system. The requested new positions fall into several work categories, namely: air conditioning engineering division, two positions to provide critical technical support for ongoing engineering needs; electronics engineering division, fifteen positions, including two for emitter detection systems maintenance, nine for the Hill-wide duress, fire alarm and intrusion system maintenance, and the remaining four for general electronic systems, including the Hill-wide LAN and electronics aspects of the EMCS system; six new positions to permit the Security Coordination Team activity to be transferred on a permanent basis to the Architect of the Capitol; one personnel clerk to help keep up with the burgeoning workload in that area; seven positions to provide mechanical maintenance support for the new Hill-wide EMCS system, which is presently partially in operation; and two positions to provide support to the electronic legislative clock and hearing room speech reinforcement systems.

Annual Recurring Maintenance, which totals $2,377,000 or 5% of the increase; This category is required to finance normal maintenance responsibilities, such as repairs and improvements to electrical, air conditioning and other mechanical systems; procurement of supplies and materials and equipment; cleaning and custodial care; and painting. Of the total increase of $1,972,000 approximately $341,000 represents inflationary increases. The balance of this increase, $1,631,000, is required primarily to provide the standards of upkeep and maintenance that the Congress and the public demand and deserve. Since last year, I have personally emphasized increased maintenance and cleaning efforts around the Capitol Complex, and the results of that effort are beginning to emerge. We are painting public spaces more frequently, we are cleaning with more attention to detail to ensure presentable and sanitary conditions, we are working harder to assure that our air conditioning and heating equipment is working, our lighting is sufficient, and our elevators respond when they are supposed to. The cost of this effort is a need for increased resources, and that need is reflected in this increased request for annual recurring items.

Cyclical Maintenance, which totals $3,849,000, or 9% of the increase; As indicated in the past, I define this category as long term maintenance items that arise only once in ten or twenty years, such as roof repairs, sidewalk replacement and so forth. Some of the largest items, in monetary terms, requested under this category are the reconditioning of various air conditioning systems in the Capitol Building ($400,000), replacement of Committee speech reinforcement systems in the House Office Buildings ($370,000), replenishment of reprogrammed funds for the Russell Building air conditioning system replacement ($781,000); an electrical system renovation design for the Cannon Building ($300,000); sprinkler head replacement in the James Madison Memorial Building ($157,000), rehabilitation of temperature control air compressors, Rayburn Building ($96,000); and replacement of bituminous concrete paving at various locations on the Capitol Grounds ($134,000). The remainder of $1,611,000 is required for several items for property and equipment maintenance replacement.

The last category is Continuing and Initiating Other Programs, which totals $32,807,000, or 76% of the increase; Included in this category are funds for such programs as repairs to the House Monumental Stair, East Front of the Capitol ($3,385,000); a new automated payroll system design ($750,000); funding for new telecommunications needs, ($1,000,000); various security needs in the Capitol Complex, ($1,065,000); furniture and furnishings for the Hart Building ($1,500,000); remodeling of the main kitchen, Dirksen Building ($929,000); Senate subway system improvements ($10,000,000); additional computer system installations in the Senate Office Buildings ($1,000,000); installation of two new elevators to provide additional service in the James Madison Memorial Library, ($650,000); an air quality study in the Madison Library, ($775,000); improvements to the Longworth fire protection, electrical power and telephone and data communications wiring systems, ($5,830,000); loading dock modifications to the Thomas Jefferson and James Madison Library Buildings, ($400,000); and $5,523,000 for several other items.

At this time, Mr. Chairman, I thought it appropriate to mention that I have provided, through inclusion in the requested 1989 appropriations language for the Capitol Buildings, pertinent language to increase the limitation of cost of H. Con. Res. 550 from $8,070,000 to $8,635,000. Of the requested increase of $565,000, $120,000 is to provide for three replacement x-ray package inspection units not presently included in the Capitol Police Board's overall security plan. These units are critical to our building security program, and have been recommended by the Capitol Police Board and the Chief of the Capitol Police. The balance of the increase, $445,000, is for replenishment of funds originally appropriated for the installation of additional security equipment but that were utilized instead for the acquisition of magnetometers and x-ray machines pursuant to Public Law 100-202. These funds are needed to complete work already in progress.

I would also like to mention briefly two major projects and their progress. The West Front Restoration was completed in September 1987, nearly one year ahead of schedule and $26 million under budget. The study on the structural problems with the terraces is complete and I am prepared to brief the Committee on its conclusions and recommendations. The Library of Congress Renovation and Restoration of the Thomas Jefferson and John Adams Buildings is progressing well. All Milestone I work was completed in November, 1986. The major work in Milestone II, which is the Architectural, Mechanical and Electrical work is underway at this time, and contracts have been awarded for most of the balance of the Milestone II work. Preparatory work on Phase II, which includes Interim Occupancy (Milestone III) and Phase II Renovation (Milestone IV) is proceeding Detailed reports on each project are included in our justifications.

Mr. Chairman, that concludes my brief summary and I shall be pleased to respond to questions that you and the Committee may have.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to the Library subsequent to the hearing:]

QUESTIONS SUBMITTED BY THE SUBCOMMITTEE

Elevators

Question: Mr. White, in your response to my letter concerning the state of the Senate elevators you noted that there is no doubt that the elevators in the Russell and Dirksen Building must be improved, however, I don't see anything in the budget that is going to improve reliability. When will you have the consultant's report on the elevators?

Could you put together a short range plan for us prior to our markup, and make some long range proposals to replace them?

Response: The elevator consultant's report, as a result of an inspection of each elevator in the Russell Building, will be completed by May 30, 1988. The consultant's report on the condition of the elevators in the Dirksen Building was submitted in May 1987.

In the short term, we are concentrating on repairing and replacing existing mechanical and electrical components that have failed or have worn out. In the long term, we are planning to request complete replacement of the existing control systems with up-to-date state-of-the-art microprocessor controls. This should improve the reliability of the control elements of each unit.

Question: Will the work provided for in FY 1987 improve the situation? When will this work be done?

Response: The funds appropriated in FY 1987 are to make improvements to elevators in the Dirksen Building.

The work includes the replacement of the door operators, car sills, car and landing door track hangers, and related door hardware on nine elevators. In addition, the cabs on three of the freight elevators will be replaced, including provisions for the handicapped, as well as specially reinforced walls to prevent future severe damage as experienced in the past.

These improvements to major mechanical elements should greatly improve reliability in operation of these units.

This work is planned to be completed by September 1, 1989.

Question: Your letter also proposes a study, which would have to be authorized by the Rules Committee, of adding elevators to the office buildings. Why should we talk about adding elevators before we fix the ones we already have, we may not need more, just reliability?

Response: We have stated, in response to questions from Senators, that the existing elevators are being used beyond their design capacity to handle the numbers required at particular periods due to staff and public use greater than that expected at the time of construction. The two elevators available to the public in the Northwest corner and the two available in the Southwest corner of the Dirksen Building are particularly overloaded due to the location of the Cafeteria at the Northwest corner and the Subway terminal at the Southwest corner of the building.

The conversion to staff use of one of the three Senator's Only elevators, located in the Southwest corner of the Dirksen Building, would assist in alleviating the overloaded condition at that location. However, we believe that additional elevators are required in each of the Senate Office Buildings, strategically located as dictated by traffic patterns, to relieve the overloaded conditions that currently exist.

Question: You have two vacant elevator mechanic positions. How long have they been vacant? Are you having trouble filling them?

When do you expect to hire them, or can you supplement them with a private contractor?

Response: The two elevator mechanic positions have been vacant for less than one year. During that period we have experienced difficulty in hiring qualified mechanics at the pay level authorized. Elevator mechanics, and particularly elevator engineers, earn considerably more money in the private sector. Recently, we were fortunate enough to be able to fill those positions. In order to have an alternative solution, however, we are currently investigating the possibility of supplementing our in-house force with an outside maintenance contractor.

Question: You have allocated 10 mechanics to 45 elevators, given the age and condition of these elevators they may require more attention. What is the ratio in the House and in private buildings?

Response: We have 10 positions for elevator mechanics (two currently vacant) for 45 elevators on the Senate side. We have 20 positions (six currently vacant) for 68 elevators on the House side. Maintenance contractors usually assign more elevators per man in the private sector (perhaps as many as 20 per man) but normally they do not cover multiple shifts nor provide standby coverage for immediate response in case of emergency.

On the Senate side, there are 3 escalators assigned to the elevator mechanics. There are 13 additional pieces of equipment such as dumbwaiters, motorized garage doors and trash compactors that are assigned to this group to maintain. The Subway system is maintained by a separate group of mechanics.

On the House side, the elevator mechanics are responsible for maintenance of the Rayburn subway system and 31 escalators.

Question: You also mention that you have rescheduled the tours of the maintenance staff. How often do they check an elevator now?

What if one is broken down and requires repairs, does that mean they won't be inspecting others?

Response: In 1986, a change was made in tours of duty to increase the availability of the ten man staff to perform preventive maintenance and repairs. Instead of being spread out with full 24 hour coverage, eight are currently assigned to a 5:00AM to 1:30PM shift and two are assigned to a 9:30AM to 6:00PM shift. The late shift remains on duty whenever the Senate is in session. This allows for more efficient supervision and utilization of personnel. This also allows time for checking every elevator before the normal office day begins. If one elevator requires repairs, there are sufficient personnel to complete the inspection process.

Senate Subway

Question: You have renewed your request for $10 million for improvements to the Senate Subway. I know that the Rules Committee has asked that you provide cost estimates of alternative systems. When is that report due?

Response: The report being prepared at the direction of the Rules Committee will be available on April 1, 1988. It is anticipated that the Rules Committee will consider the report in their mid-April meeting.

Question: What about simply replacing the current cars, is that possible, has it been looked at?

Response: The replacement of the two existing cars with modern equipment is estimated to cost $3,000,000. However, this would not alleviate the problem of the current shuttle system that results in excessive waiting time.

Question: This is a very expensive project in tight fiscal times. If the Rules Committee approves it this spring, when is the earliest you will need to obligate money?

Response: If the Rules Committee authorizes us to seek bids, and the Appropriations Committee provides the $10,000,000 requested, the funds could be obligated as early as October 1988.

Question: What annual savings could be realized from a new system?

Response: It is difficult to estimate annual savings precisely, particularly since we do not know until bids are received exactly which new system will be installed. It is expected that the new system will be lighter and more efficient. The new system will not require operators on the cars. However, there are more cars (providing increased service) constantly running in a loop and therefore possibly requiring additional electric energy. We estimate that annual savings would be approximately $80,000 mainly due to reduced number of operators and reduced maintenance cost on new equipment.

Capitol Security

Question: Mr. White, the work to complete the East Plaza security project seems to be progressing slowly. When will the guard kiosks be complete - are you on schedule?

Response: The guard kiosks will be operational within several weeks. At the present time, we are awaiting delivery of decorative roofs, although the present configuration is watertight. Delivery of the finished roofs is anticipated by the beginning of June 1988.

The installation of the guard kiosks has not met the original schedule because of the problems experienced by the supplier. We have attempted to assure, however, that the hydraulic barriers have been fully operational from the existing guardhouses during the interim.

Question: Last year you presented us with several alternative security plans at a closed hearing. Whose responsibility is it to take one of those plans and make a proposal to the relevant committees?

Response: The Capitol Police Board has approved Scheme B and recommended its adoption and implementation. After approval by the Leadership, and the five committees charged with approving the Board's recommendation give their approval, I will request the release of funds from the $13 million to begin the work.

Question: Last month you wrote to us concerning your request for restoration of $445,000 to complete the closed circuit television surveillance system. If those funds are restored, how long will it take before installation of this system is complete?

Response: If the reprogrammed funds in the amount of $945,000 of which $445,000 was scheduled for use in completing modifications to the CCTV system but was utilized for the acquisition of x-ray machines and magnetometers, $400,000 was for implementation of the Telecommunications plan and $100,000 was for additional warehouse space, are restored in the near future, it is anticipated that the CCTV system installation work will be completed by January of 1989 and the video recorder system work will be completed by June of 1989.

Question: In your budget you mention that the main video switch for this project is set to be delivered in June, 1988. How much of this $445,000 is earmarked for this equipment? What is the balance for?

Response: The main video switcher was ordered before the $945,000 was reprogrammed. As you may recall, a total of $1.9 million was appropriated for this project in the 2nd Supplemental, 1984. The main video switcher that is being installed is required to operate the CCTV system expansion approved when the $1.9 million was appropriated. All of the $445,000 will be required to complete the implementation of the CCTV system expansion.

The balance, $500,000, is required for the installation of the 24 hour video recording system, which will permit time lapse recording of every CCTV camera in the system.

Question: During our conference last year the House asked, and we agreed, to delay purchase of the building security equipment for the House side until they received a formal request. Have you made such a request or submitted such a proposal to the Police Board?

Response: There are no funds requested in the Architect of the Capitol budget for fiscal year 1989 for the acquisition of additional security equipment for the House side.

As noted above, the Police Board has approved Scheme B of the overall security plan and recommended its adoption and implementation.

Question: What do you think should be the next step in forming and implementing a capitol security plan?

Response: The next step in forming and implementing a Capitol security plan depends on the response of the Leadership to the Police Board's recommendation of Scheme B. If the Leadership approves Scheme B then the five committees charged with approving the Board's recommendation would be consulted following which I will request the release of funds from the $13 million to begin the work.

Dirksen Cafeteria

Question: Last year we provided about half of the funds needed to complete the Dirksen building cafeteria renovation. This year you are asking for the other half. What work remains to be done this year and in 1989?

Response: The work to be accomplished in fiscal year 1988 was to be performed out of savings in the amount of $928,000 in the "Senate Office Buildings" appropriation. At this time it is too early to project if that amount would be available in its entirety. Therefore, the work to be performed in fiscal year 1988 has not yet begun. The work includes by fiscal year:

Fiscal Year 1988

Stage C:	Relocate -	Locker Rooms
	Demolish -	Locker Rooms Store Rooms Rough Prep Area
	Construct -	Dish Wash Service Corridor
Stage D:	Demolish -	Old Dish Wash Dairy Refrigerator Receiving Office
	Construct -	Major portion of Prep-Issue

Stage E: Demolish - Old Prep Area
Store Room Wall
Construct - Store Room
Major Portion of Prep-Issue Refrigeration

Stage F: Demolish - Old Walk-In Refrigeration
Construct - Final Part of Prep-Issue
Final Part of Prep-Issue Refrigeration

Fiscal Year 1989
Stage G: Construct - Cooking Battery
Demolish - Men - Women's Toilets
Various Partitions
Construct - Locker Rooms
Dressing Areas
Linen Storage
Paper Storage
Dry Storage
Banquet Storage
Bakery Storage

Question: You are asking for $650,000 for renovation to the south cafeteria in the Dirksen Building. Has the Rules Committee approved this and what is planned?

Response: The Rules Committee approved this project January 5, 1988. The scope of the Dirksen South Cafeteria renovations, in general, includes remodeling the entire South Cafeteria space including the seating and service areas. The project will provide two major functions for the Senate Restaurants. Those functions are to provide for potentially profitable food services for the Restaurant operations and to relocate and improve Senate Restaurant employee locker and rest room facilities.

The potentially profitable food service functions include the following.

The transition of the Dirksen Buffet from a temporary facility with makeshift equipment and support into a permanent dining service in a pleasant environment.

The provision for special function or banquet space for 150 guests. The space will be designed so that it can be used by one large group or smaller groups. In addition, the special function space can be used to support groups utilizing the buffet service.

A pizza carry out, production and service facility is included as a new Senate Restaurant service. Commercial pizza chain sales rank second only to commercial hamburger chain sales in the Unites States. Pizza capability in the Senate Restaurant organization has the potential of contributing a significant profit to the overall operation. Due to the need to subsidize certain unprofitable but essential services it is important to consider the addition of services that will improve Restaurant finances.

It is anticipated that the pizza carry out would operate from 11:00 a.m. until 7:00 or 8:00 p.m., supplementing our lunch service while providing additional evening services including pizza and other food items packaged for use at home.

A long planned retail bake shop will be included in the pizza carry out area. Contract food service companies have been able to generate additional sales and profits by utilizing an on site bake shop for retail sales.

The Senate Bake Shop has established a good reputation with the staff and visitors to the Senate. It is anticipated that a retail bake shop will double the bake shop sales.

The South Cafeteria as currently set up has 285 seats. One-hundred and thirty-five seats are located in the buffet area and one-hundred and fifty seats are located on the west side of the room. The west side seating is used to support the buffet group business and occasionally provides seating for overflow from the North Servery.

Prior to September 1985 the South Cafeteria was used for cafeteria service. At that time there were 380 seats in the South Cafeteria. The tables and chairs that were located in the alcove just outside the service lines were removed and have not been replaced.

The renovation plan calls for increasing the total number of seats from the current number of 285 to 310.

The current Senate Office Building Restaurant employees locker and rest room facilities are inadequate for the number of employees, are located in an area that compromises the security of the storeroom and receiving functions and are not adequately accommodated in plans to complete the kitchen renovations. The proposed employee locker room facilities will be located in an area that will not include space in the large open space that currently houses the buffet and other seating area of the South Cafeteria.

West Front Terraces

Question: We understand that you plan to use funds leftover from the renovation of the West Central Front to do repair work on the Olmsted Terraces. What are structural problems with the terraces, how much will it cost and when do you expect to submit a plan to the Committee?

Response: There are several problems with the terraces that need to be addressed at this time. Of major concern is the condition of the retaining walls at the middle terrace level where the corner pilasters and the tops of the walls themselves have moved out significantly enough to affect the terrace and balustrades. The misalignment is allowing water to seep through open joints thus accelerating the deterioration. Also in urgent need of repair are the upper terrace roofs which have cracks that cause leaks into the occupied spaces below. The outer wall of the north monumental stairs also needs to be realigned. The estimated cost of the recommended corrective measures is $8,900,000. Upon approval by the Commission on the West Central Front a request for the reprogramming of necessary funds will be submitted to the Committee.

Library Buildings and Grounds

Question: The Committee has become aware of a leaky roof on the Jefferson Building. This apparently recently caused some damage to already renovated areas. Should replacement of this roof be part of this major renovation work?

Response: There has been an increase in the rate of deterioration of the copper roof on the Thomas Jefferson Building that has resulted in some leaks and some minor water damage. Spot repairs are being made at all known problem areas and the results appear to be successfully alleviating the current leaks. However, the deterioration will inevitably continue and a long term solution, possibly total replacement, will sooner or later be required. The strategy at the present time is to repair leaks as they occur and to replace the copper in discrete sections. In this manner it may be possible to replace the roof over several years using annual maintenance funds. However, should deterioration accelerate it will be necessary to request replacement funds in some future year. Since this roof work is largely unrelated to the major renovation project there is no particular need to make it part of the current Library of Congress Restoration Project.

Inauguration

Question: In January 1988, we will inaugurate the next president and vice president. Have you provided your cost estimate for the stands and other construction to the Rules Committee.

Response: The cost estimates were transmitted to the Rules Committee March 29, 1988. A copy is provided below.

United States Capitol
1989 Inauguration
Cost Estimates

Construction	$373,200
Bunting/Decorations	22,200
Electrical Equipment	10,000
Public Address System	77,000
Chair Rental	66,100
Dismantling Stands	16,700
Security	20,000
Miscellaneous and Administration	77,000
Contingencies	24,900
Total	$687,100
Say	$690,000

Immigration Building

Question: You have been remodeling the Immigration Building to be used as a headquarters by the Capitol Police. How is that coming, are you within budget and on schedule?

Response: As of March 1, 1988, the general construction contract is approximately 80% complete. Based on the current progress of work, the contract will be complete by June 1988. The elevator Contractor is currently working on site. This work will also be completed by June.

Additional items of work which must be completed prior to occupancy will be performed by in-house forces. Examples are: Fire alarm, data, communication, computer and security cabling; installation of carpet; final site work; installation of emergency generator. Some of this work will be performed concurrent with the contract work. At this time, it is anticipated that the move of the United States Capitol Police from the Plaza Hotel to the Immigration Building will occur in late summer.

Question: There is a request for $1.5 million for Hart Building furniture. We have appropriated $4.9 million through 1988 for this purpose, how many Senator's offices remain to be outfitted?

Response: The following table summarizes the appropriations to date.

Hart Senate Office Building
Furniture and Furnishings

Fiscal Year	Budget	Request	Appropriated	Public Law
1983	Suppl.	$8,000,000	$ 250,000	98-63
1983	Suppl.	.....	210,000 [1]	98-63
1983	Amend.	9,500,000	.....	
1984	Reg.	.....	250,000	98-51
1984	Suppl.	1,500,000	1,500,000	98-396
1986	Reg.	1,500,000	.....	
1987	Reg.	1,500,000	1,500,000	99-591
1988	Reg.	1,500,000	1,200,000	100-202
	Total Appropriated...........		$4,910,000	
1989 Request Reg......................			1,500,000	
	Total........................		$6,410,000	

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1 Amount reappropriated on a "No Year" basis for Hart Furniture and Furnishings.

I have requested $1,500,000 in 1989 to complete the procurement of modular units for Senators' suites and to begin furnishing committee and public spaces in the Hart Building. It has been my plan to ask for funds in the two following fiscal years to complete all remaining spaces in fiscal year 1991, but that, of course, is subject to advisement from the Committee on Rules and Administration.

The following table summarizes the costs for this program:

Cost for Senators' Suites	Amount	Number
Appropriated through FY 1988	$4,910,000	39
FY 1989 request (projected)	1,500,000	11
	$6,410,000	50
Cost for Committee & Other Spaces (Hart Building)		
FY 1990 and beyond (projected)	$2,900,000	
Total	$9,310,000	

Capitol Grounds

Question: You are asking for an increase of 50% in the snow removal allotment for capitol grounds. What area does this cover and please provide a three year history of actual expenditures in this area?

Response: Since 1982 the $20,000 allocated for "Snow Removal" has not been increased.

For fiscal year 1985 $18,653 was expended for snow removal.

For fiscal year 1986 $13,974 was expended.

For fiscal year 1987 $52,925 was expended.

For fiscal year 1988 $22,050 has been obligated as of February 29, 1988.

The scope of work includes the removal of snow from all the walks, drives, streets, steps and parking lots under the jurisdiction of the Architect of the Capitol. There has been an increase in the parking areas since 1982. Expenses for snow removal vary from year to year as the amount and frequency of snowfall varies.

Question: What additional expenditures will be covered by this increase?

Response: The allotment is used only for snow removal purposes and if not fully obligated, the funds are not used.

Question: The requested increase of $9,700 for solid waste disposal is identified as an inflationary increase, is this increase part of a negotiated contract?

Response: Yes, this is an anticipated inflationary increase, as part of a negotiated contract.

Question: An item of $8,000 is requested for annual maintenance to the security bollards and planters on the Capitol grounds. It appears that much of this work is already complete, why are additional funds required?

Response: Additional funds are necessary to maintain the manually-operated security bollards and planters on the Capitol Grounds.

Question: Provide a breakdown of the $106,000 requested for supplies and materials? Please identify how much of the gasoline and oil requirement relates to the new vehicle and how much is for plant material for the security planters?

Response: The following is a breakdown of the $106,000 requested for "Supplies and Materials":

Gasoline	$40,000
Miscellaneous	$21,500
Grass Seed	$ 6,000
Fertilizer, Peat Soil and Sod	$15,000
Insecticides and Fungicides	$ 4,000
Bulbs and Plant Material for Flower Beds	$10,000
New Trees	$ 500
Tree Labels	$ 500
Supplies, etc. for Tree Work	$ 3,500
Supplies for Irrigation System	$ 3,500
Sign Materials	$ 1,500

The $6,000 will be needed for the gasoline and oil as related to the new shuttle van, and $3,000 under item "Bulbs and Plant Materials for Flower Beds" for plant material for the security planters.

Question: A total cost of $160,000 is requested for replacing the lighting standards and heads on the East and West lawns. How many of these lights are not functioning?

Response: Most of the lights are functioning but the cast iron standards, casings, and globe holders are in deplorable condition and are, in many cases, being held together with wires. Not only will this replacement program improve the ability to maintain these lights and improve their appearance but the new lights will also serve to better illuminate the grounds thereby contributing to the overall security efforts currently being considered.

Question: Funds are requested to replace two tractors and two sets of 5 gang reel mower units ($60,000) and two riding rotary mowers ($20,000). Given the maneuverability of the rotary mowers, would it be more cost effective to replace the tractors and gang mowers with rotary-type?

Response: No, it would not be cost effective to replace the tractors and gang mowers with rotary type mowers. Rotary type mowers are more costly since each mower unit requires a separate engine. Rotary mowers are used for a rougher grass cut and are safer. The reel type gang mowers give a finer cut.

Question: How many dump trucks does the Architect's office own? You are requesting $26,000 to replace one 2 1/2 ton model.

Response: The Office of the Architect of the Capitol presently has eight dump trucks, inclusive of the International recommended for replacement in the 1989 Budget request.

Question: There is a request of $36,000 for two additional pick-up trucks with snow plows and sanding units. How many such units does the Architect of the Capitol currently own? Is this service currently contracted for, if so how much is spent annually?

Response: Presently, we only have one pick-up truck with a snow plow and sanding unit in operation.

This service is contracted for in part. Our own forces handle the snow removal except during major snow storms. A snow removal contract is awarded each year. The snow contractor is called on for his services only when necessary. It would be to the advantage of the Government to have our own snow removal equipment for a more efficient and timely snow removal operation.

Capitol Building

Recurring Items

Question: You are requesting a twenty-seven percent increase in the maintenance and rental of office and computer equipment. Please describe this increase and the applications that this new equipment will run? How many terminals are contemplated and who will get them? What will be the recurring annual expenses related to this acquisition?

Response: The $283,800 requested increase, if approved, will provide for the leasing of a backup Central Processing Unit (CPU) and the purchase of approximately twenty additional terminals (at present day cost). The following is a listing of the applications that will be run on the new equipment.

Application Software

Payroll (AOC, BG, SC, SR)
Accounting (all appropriations)
Inventory
Personnel
Space Information (CB, SOB, HOB)
Construction Management (punch list, Claims, Shop drawings, Suppl., Networking (CPM))
Project Status & Coordination
Labor Distribution (Drafting & Construction Branch)
Records Management (Slides, Photos Drawings, aperture cards)
Curator Information System (Art Indexing)
Data Processing Administration (Activity, performance, Office Automation)

The areas and applications presently requiring terminals are as follows:

Work Order/Preventive Maintenance Program. Supervising Engineer - Capitol Building, Superintendent - Senate Office Buildings, Superintendent - House Office Buildings, Landscape Architect - Capitol Grounds, Chief Engineer - Capitol Power Plant, Supervising Engineer - Library of Congress, Supervising Engineer-Supreme Court.

Inventory, Supplies, Materials and Equipment. The storerooms and the Work Order/PM Program are located in all jurisdictions. In most cases less sophisticated terminals will be replaced in areas such as Payroll, Accounting and Personnel and those older units assigned to the storerooms.

The recurring annual lease and maintenance expenses associated with the CPU and terminals will be approximately $150,000.

Question: A substantial increase is requested in equipment purchases. According to justification material these funds will be used for replacement and purchase of needed equipment. Please provide a listing of the equipment to be purchased, whether or not it is a replacement or new purchase, and whether or not that equipment exists anywhere else, in the Capitol, House or Senate Office buildings?

Response: The following table was supplied for the record.

List of Proposed Equipment
Purchase Items for
Capitol Building Shops
FY 1989

Carpenter Shop	
Variable Speed Shaper (Existing unit approximately 50 years old, single speed only)	$12,000
Ornamental Wooden Trim Framing Unit (No such unit)	$ 3,000
Sheet Metal Shop	
Metal Power Brake (Existing unit 25 years old)	$65,000
(Unit is used daily, basic piece of equipment for every metal shop)	
Labor Shop	
Box Trucks for trash removal Vacuums and Floor Polishers	$10,000

At the present time the Architect of the Capitol does not have explicit authority to transfer pieces of large equipment such as these listed between jurisdictions, unless the equipment is surplus to a particular shop. No such present surplus exists.

Question: The increase for maintenance of electronic systems totals 30 percent. Please provide information on the major component increased?

Response: The major items for maintenance of electronic systems that represent an increase in cost are as follows:

a. Emitter Detection Systems - $50,000
The installation and maintenance of this equipment has been assigned to this office by the Capitol Police Board. This is a new activity with responsibility transferred from the Capitol Police.

b. Test Equipment for Emitter Detection Systems - $55,000
This additional unique equipment is necessary to support the maintenance required for these various systems.

c. Energy Management and Conservation System - $41,800
The EMCS system is being made fully operational in FY 1988 and 1989. The responsibility for data communications between the Field Interface Devices (FIDS) and the central processor and its peripherals fall within the jurisdiction of the electronics maintenance group.

d. Local Area Network - $25,000
An increase is required in this line item due to the ever expanding use of the LAN for data transmission using the CATV cable system as the transmission media between terminals and processors.

e. Temporary Labor - $65,000
Temporary labor is required to support in-house forces with the installation of various electronic systems in the Capitol Complex, such as:

- Cable Alarm System in Member's Offices.
- Increases and improvements in various Security Systems.
- Connections of individual TV's and radios to the CATV cable system.

Question: Of the increase in electronic system maintenance $25,000 is identified for local area network (LAN) maintenance. Whose LAN is this?

Response: The LAN maintained by the Electronics Engineering Division is also the cable television system that serves every office in the Capitol Complex. However, superimposed on this cable system is digital data transmission between all offices of the Architect of the Capitol as well as selected offices in the House and Senate that find it more convenient and logical to use the cable system than to hardwire their terminals to their central processor.

Question: $65,000 is identified for hiring of temporary labor to install various systems. Could you be more specific, what type of systems and where?

Response: Temporary labor is required to support in-house forces with the installation of various electronic systems in the Capitol Complex, such as:

- Cable Alarm System in Member's Offices.
- Increases and improvements in various Security Systems.
- Connections of individual TV's and radios to the CATV cable system.

Question: What is the total estimated cost of the asbestos abatement program, and when will it be completed?

Response: The funds requested for FY 1989 for asbestos abatement total $500,000 for all appropriations and are at a level that we believe will allow us to commence an organized program of covering and encapsulating existing piping and duct covering where it has been damaged due to maintenance activities in the past. This first year's effort will provide sufficient experience to allow a more exact estimate for future requests. We foresee that this program will be completed in three to four years.

Cyclical Maintenance

Question: You are requesting $110,000 for the replacement of micrographic equipment, in order to more efficiently archive architectural drawings. Has any thought to contracting out some of this work, if so, what has that analysis shown?

Response: The $110,000 is requested for the replacement of micrographic equipment in order to more efficiently archive architectural drawings and the paper records. Microfilming of paper records was begun in 1974 and the architectural drawing program was started in 1977. Microfilming is done in-house rather than being contracted out for several reasons:

- to insure the consistent high quality of the images so that all information can be later retrieved.

- for security reasons, plans and drawings of sensitive areas, tunnels, etc. should not be sent out.

- because many of the drawings and records being filmed are irreplaceable historic documents, there would be a risk of loss or damage in moving them to an outside firm.

- information would not be available while drawings or documents were out being filmed. At present, manual searches can be carried out at any stage of the process.

- for efficiency of storage. The microfilm being used by the Architect of the Capitol is 16mm, so that twice as many documents or drawings fit on a roll as compared to the 35mm film used by the commercial contractors. Thus, storage of the master and two copies in different locations takes half as much space.

Furthermore, the equipment requested for microfilming architectural drawings does much more than simply microfilm:

- it is needed to produce the aperture cards with information on each drawing (which would still have to be done by Architect of the Capitol staff). Transferring of information from the drawing to the card directly would be much more accurate than later trying to reconstruct information from the microfilm in the correct order.

- it automatically creates a data base index of the drawings (which would otherwise have to be done in a separate step). In the future, this data base could work with an optical disk system; images could be taken from microfilm.

- it provides a printer which can create high quality images for use by the Architectural Division or by researchers. The 1977 printer would have to be replaced in any case.

There will be little savings in personnel costs, because of the labor involved in entering data into the computer and typing aperture cards. More microfilm could be produced for less cost and labor time with the requested equipment than using an outside contractor for the microfilming.

Contracting out the number of images filmed in 1987 would cost over $30,000 in comparison to the $2,500 spent on film that year. Even if personnel were reduced by one GS-4 position at approximately $13,500 per year, the difference is still significant.

Over the expected life of at least ten to fifteen years, this equipment will prove to be a most worthwhile investment in efficiency of both production and retrievability of the microfilm.

Question: You mentioned a substantial backlog in this work. How many people work on this project -- do they do it full time?

Response: The Records Management Division has a staff of four: a Head, an Assistant, and two temporary microfilmers primarily concerned with the architectural drawings. Much of the microfilming of paper records is done with summer workers. The Division is responsible for cataloguing and retrieving all types of records produced by the Architect of the Capitol, including slides and photographs. Between 1984 and 1986, about half of the drawings in the Architect of the Capitol collection to date were microfilmed. Since then, because of several turnovers and vacancies in staff, the Division has only been fully staffed for about six months, and only a few thousand drawings have been filmed, leaving over 30,000 still to be filmed, not counting recently completed and current projects.

Question: There is included $3.4 million for repairs to the House Monumental Stairs on the East Front. Have you evaluated the similar stairs on the Senate side to insure that they are structurally sound?

Response: The Senate Monumental Stairs were removed and replaced in 1961 as part of the East Front Extension project and the extension of the Senate subway to the Dirksen Senate Office Building. In general, the proposed repairs follow the procedures used on the Senate stairs which continue to be structurally sound.

Question: The justification material identified several steps to be taken to upgrade the automated payroll system. How many of these steps will the requested $750,000 accomplish? Please identify the costs with each step?

Response: In general, the requested $750,000 will provide for the redesign of the automated payroll system for the Architect of the Capitol. The redesign will provide major improvements over the present system which has experienced numerous piecemeal modifications over the years. Upon completion of the proposed system, the Architect of the Capitol will have in place and operating, a fully integrated data base payroll system. This new system will allow for the subsequent integration of the payroll system with the accounting and personnel systems. The redesign will include documentation, installation and implementation of this new system and will fully replace the old system now in operation. No additional hardware will be needed, nor will additional personnel be required to accommodate the new system.

The $750,000 will provide for the system upgrade in four steps as follows:

I	- Systems Planning	$ 125,000
II	- Systems Requirements	$ 156,250
III	- Systems Development	$ 312,500
IV	- Systems Implementation	$ 156,250

Question: The Architect's Office is requesting $1 million for unanticipated telecommunications needs. Has the December 1987 report on the Legislative Branch Telecommunications Network Plan identified possible uses for these funds?

Response: Yes. The report identifies estimated expenditures in Phases A and B of the Program Plan. These total $1,325,000 of which $725,000 is allocated to Phase A. Since those estimates were made, some reduction has been possible as a result of the accomplishment of a portion of the needed work by in-house staff. It is therefore anticipated that the $1 million request may be enough to accomplish the needs set out in the plan. The Committee on Rules and Administration has directed us to proceed with this work in order to enable future implementation decisions to be made by the Committee. The Committee on House Administration has concurred in this process. Funds are requested to be made available on a "No Year" basis in order to accommodate the needs of the project for progress that is not necessarily compatible with annual appropriations schedules and further, because the project will take place over more than one year.

Question: Please provide a schedule of the status of funds for the security system for the capitol complex showing the initial appropriation, obligations to date, reprogrammings, funds remaining and FY 1989 needs?

Response: The following table was supplied for the record.

SUMMARY OF FUNDING
ELECTRONIC SECURITY SYSTEM, CAPITOL COMPLEX
(H. CON. RES. 550 LIMITATION)
STATUS AS OF DECEMBER 31, 1987

Item	Amount	Expended	Unliquidated Obligations	Total Obligated and Expended	Balance (+) or (-)	
Security System, Capitol Complex						
No Year	$7,659,000 [1]	$5,910,502 [2]	$817,809 [2]	$6,728,311 [2]	$(+) 930,689 [3]	
1973 - $3,000,000 - Supplemental						
1973 - 1,698,000 - 2nd Supplemental						
1975 - 250,000 - 2nd Supplemental						
1978 - 500,000 - Reappropriated						
1978 - 24,000 - Legislative Branch Appropriation						
1980 - 120,000 - Legislative Branch Appropriation						
1984 - 167,000 - Legislative Branch Appropriation						
1984 - 1,900,000 - Supplemental Appropriation						
$7,659,000 [1]						
Regular Annual						
1977 - $ 800,000 - Legislative Branch Appropriation [4]	300,000	297,207	.....	297,207	$(+) 2,793	(Lapse)
1988 - $ 111,000 - Continuing Appropriations	111,000	.....	.....	.....	111,000	
Total	$8,070,000	$6,207,709	$ 817,809	$7,025,518	$(+)1,044,482 [3]	
					(-) 2,793	1977 Lapse
	Unobligated "No Year" balance as of 12/31/87				$(+)1,041,689 [3]	

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[1] Includes $500,000 reprogrammed to telecommunications ($400,000) and to provide additional rental of warehouse space ($100,000).

[2] The funds obligated and disbursed for telecommunications and warehouse space are excluded from the Expended, Unliquidated Obligations and Total Obligated and Expended amounts.

[3] The Balance includes $500,000 reprogrammed out for non security related items. The FY 1989 Budget includes restoration of the $500,000 so that the balances reflected will be available if funded.

[4] Of the amount of $800,000 allowed for Fiscal Year 1977, $500,000 was reappropriated for Fiscal Year 1978 (P.L. 95-94, Legislative Branch Appropriation Act), as a "No Year" amount and $300,000 was available for expenditure under the 1977 Act (P.L. 94-440, Legislative Branch Appropriation Act), as a regular allotment.

Question: Provide a similar table for the Replacement of the PCB transformers?

Response: The following table was supplied for the record:

Appropriation	Amount	Obligations as of 2/29/88	Reprogrammings	Unobligated Balance Available as of 2/29/88
FY 1986 Urgent Suppl.	$8,000,000	$1,467,918	(80,000) [1] (218,000) [2]	$6,134,082

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1 Reprogrammed for renovations to space assigned to Speaker and House Majority Leader.

2 Reprogrammed for renovations to Senate Law Library space.

Question: What decisions have you reached concerning the best method of replacing these PCB transformers in the Capitol complex?

Response: Our present experience with the Madison, Rayburn, and HOBA-2 buildings, indicates that the best process will be to remove the PCB from the transformers before replacing the transformers.

QUESTIONS SUBMITTED BY

SENATOR REID

QUESTIONS FOR ARCHITECT OF THE CAPITOL

Question: Your FY 1989 budget estimate for maintenance and operation of the subway system is $26,000, $1,000 more than last year. Why did you include this estimate in your budget request but not in you answer to my letter of February 10th?

Response: The $26,000 requested is for the support of the subway maintenance shop that also acts as a machine shop for other maintenance activities in the Senate office buildings. As stated in my response to your recent letter, it is difficult to arrive at a meaningful cost for the maintenance of the existing system since most of the repair work is hand labor by personnel in the subway shop in the welding and machining of pieces and parts for the existing cars. I apologize for not answering your question directly but we do not have records that show the costs for the subway system separately from total costs to operate this particular shop.

Question: What is your current cost estimate for the four-car collapsed loop subway system?

Response: The current estimate is $10,000,000.

Question: Would these cars have drivers? What savings would result from the elimination of subway car drivers?

Response: It is not intended that the cars have drivers. We estimate an annual savings of approximately $80,000 from a reduction in the number of drivers and maintenance mechanics.

Question: Have you examined whether citizens and Senators would be willing to ride driverless cars?

Response: We have not examined in depth the question as to whether citizens and Senators would be willing to ride driverless cars. However, we have observed various similar people movers at airports, and other places of installation, and have not detected any problems or reluctance on the part of riders to use the system.

Question: From the information included in your letter to me dated February 18th, I must conclude you do not believe a moving sidewalk is a viable replacement for the current system. But as I indicated in my original letter to you, I believe a moving sidewalk offers several advantages over a subway. I would like you to prepare a cost and feasibility study of such a system.

Response: The cost for a moving walkway is estimated to be $11,000,000. There are many reasons why a moving walkway is not a desirable substitute for a subway system, including excessive maintenance costs and increased down-time. However, the major reason, in this instance, that we recommend a subway is that the time required to go from the Hart Building to the Capitol with the recommended "pinched loop" system will be approximately 2 1/2 minutes while the same trip on a moving walkway would require approximately 11 to 12 minutes. A detailed analysis has been submitted to the Senate Committee on Rules and Administration, a copy of which will be submitted to you.

Question: Year after year, we are plagued with operational and maintenance problems with equipment in the Capitol, the office buildings, and the Library. For example, just a few years ago we agreed with your request that we procure electronic mechanisms to replace the old mechanical works of the legislative clocks, in part to reduce maintenance costs. Now you are requesting additional maintenance personnel, in part to service those electronic devices. Just last year, we installed hydraulic barriers on the Capitol Plaza and elsewhere. That is hardly exotic technology, and yet you are back this year requesting specific amounts for maintenance of this system (Those barriers are not in constant operation -- they are down all day and up all night). And then there is the Madison Library Building, where you are replacing sprinkler heads and lights, modifying wall partitions due to "floor irregularities", and requesting design money to replace the entire roof of a ten-year old building. Do you view this as a tolerable situation? For example, when was the last time you sued a contractor?

Response: You are quite correct that maintenance problems and costs increase year after year. New and additional equipment is added to the Capitol Complex every year. Equipment that has been in service for many years needs repair or replacement.

With regard to legislative clocks, the Rules Committee has recently authorized two additional clocks per Senator. Additional clocks are also authorized on the House side. These clocks are assembled and maintained by our in-house maintenance forces from parts obtained from various manufacturers. This same maintenance force has responsibility for all speech reinforcement systems and equipment. Here again, on both the Senate and the House side, this equipment is being replaced in all hearing rooms with modern equipment and this requires a major effort on the part of our forces to obtain and install and maintain this equipment. Thus, because of the additional workload, we have requested new positions.

With regard to hydraulic vehicle barriers, we now have eight installed at the Capitol, five at the Senate Office Buildings, eight at the Supreme Court and two at the Capitol Power Plant. The control systems for this equipment are quite extensive and the mechanical and hydraulic components require continual preventive maintenance.

With regard to improvements in the Madison Building, a limited number of sprinkler heads are being replaced with newer design heads to provide better protection from accidental water discharge in such areas as rare book rooms, etc. Some sprinkler head failures have already occurred, and the Library is very concerned about the problem. The wall partitions are being improved to allow increased loading by book shelves by Library personnel. The roofing is planned to be replaced on the flat roofs at this time to prevent a future failure, (whether two years or five years from now), from causing major damage to the interior of the building. Although the building has been occupied since late 1979, the roof was installed several years prior to that, in 1975, and is now 13 years old.

Disputes between the Office of the Architect of the Capitol and contractors or suppliers are usually settled without recourse to litigation by utilizing the Government's administrative remedies. In most instances the Office has been able to successfully negotiate satisfactory resolutions to these controversies. However, in the past several years, three law suits have been brought against contractors participating in projects administered by the Architect of the Capitol:

1. United States v. Siska-Hennessey, Civil Action No. 82-3232, United States District Court for the District of Columbia. The defendants were design contractors on the restoration of the Capitol Power Plant who were negligent in performing significant portions of their work, resulting in delays to the contractor for which the Government was liable. In litigation the Government recovered $500,000 from defendants. The settlement made the Government whole for its losses.

2. United States v. DeWitt, Poor & Shelton, Civil Action No. 82-0586, United States District Court for the District of Columbia. Here the defendants were responsible, by their contract, for the design of the James Madison Memorial Building. Failures in design and coordination resulted in massive delays to the project, thereby causing Government liability to the construction contractor. This suit was settled for $400,000, an amount roughly the equivalent of the damages that could be attributed to the defendants.

3. United States v. Master Mechanics & Mamico International, Civil Action No. C80-188, United States District Court for the Northern District of Ohio. Suit was brought for the manufacturer having furnished defective sealant materials for the exterior walls of the Madison Building. The Government recovered $ 26,046 from the defendants in damages.

Question: You cite the increase in special functions in the Capitol and the office buildings as one reason for your requested increase in maintenance. Can we increase food service and other charges for these functions to pay for the increased maintenance they cause?

Response: It would be possible, if desired, to increase food service and other charges to cover some portion of the cost of maintaining the Senate Office Buildings. However, the Senate oversight and authorizing Committees heretofore have not determined that a portion of the buildings maintenance should be funded through this method.

Olmsted Terraces

Question: According to the program and financing schedules in the budget Appendix you anticipate obligating in FY89 $15,000,000 in presently unobligated funds remaining from the West Front Renovation project.

Since the West Front Renovation is complete, I gather you anticipate obligating those funds for repairs to the Olmsted Terraces. Is that purely an arbitrary number or is it based on the preliminary survey? When will the final report be completed, and when will you request the necessary reprogramming? What aspects of this project lead you to anticipate such a high cost?

Response: Should the Commission for the West Central Front of the Capitol approve the recommendations for repairs to the terraces the Committee will be asked to reprogram the necessary funds. The $15,000,000 figure was estimated before the engineering study was completed, and before a thorough analysis of the various options could be evaluated. The engineering study was recently completed. It will be forwarded to the Commission with a recommendation in the very near future and a decision should be forthcoming shortly thereafter. The estimated project cost for the recommended solution is $8,900,000 rather than the $15,000,000 previously estimated. A reprogramming request will likely be made in May, 1988, depending on the action taken by the Commission. The aspects of the project that might have led to a higher cost for the project related to the options for creating space beneath the middle terrace. This has been shown to be more costly than first anticipated, and thus is not included in the recommendations.

Capitol Buildings

Question: The single largest item in your requested increase for FY89 in the Capitol Buildings appropriation is $3,385,000 for restoration of the House Monumental Stair on the East Front of the Capitol. Rather than requesting new money for this project, why not propose reprogramming funds from the unobligated balances remaining in the West Front Renovation account? Those remaining balances exceed the amount you will need for the work on the Olmsted Terraces?

Response: There is indeed remaining in the unobligated funds of the West Central Front of the United States Capitol appropriation a balance sufficient to finance the $3,385,000 requested in FY 1989 for restoration of the House Monumental Stair, East Front of the Capitol. As you are aware, the West Central Front appropriation of $49,000,000 as provided by Public Law 98-63, Supplemental Appropriations Act, 1983, is authorized for the specific West Central Front purposes and cannot, without specific subsequent authorizing legislation, be used for any other purpose than that so specified.

Capitol Power Plant

Question: Your budget shows reimbursements of $1,950,000 for steam heat and air conditioning supplied to GPO, the main Post Office, Union Station, the Supreme Court, and the Folger Library. With the exception of FY86, reimbursements have been set at this level since FY82. At the same time, your budget cites increased production costs as a justification for increased appropriations ($24 million in FY89 versus $20 million in FY82). Why haven't the reimbursements increased as the cost of supplying the steam heat and air conditioning increased?

When Union Station reopens, it will house a number of commercial operations. Will there be a different reimbursable rate for these commercial entities as opposed to that levied on the governmental and non-commercial entities you now supply?

Response: The unit cost of supplying steam and chilled water at the Capitol Power Plant depends almost entirely upon the cost of coal, oil, and electricity. Personnel costs, except for increases provided by law, do not vary. The cost of coal and oil vary depending upon supply and demand and the world economic situation. The cost of electricity is controlled by a public commission and could increase at any one time by a considerable amount.

The Government Printing Office, Washington Post Office, and Union Station have each experienced major changes in operations and activities within the past seven to ten years which make it extremely difficult to accurately predict their requirements.

It is expected that the reimbursement will increase within the next two years due to major new activities in Union Station and in the Washington Post Office.

We supply steam and chilled water to the Union Station Redevelopment Corporation at the same rate as charged other entities such as Folger Library, a privately funded activity; Washington Post Office; and the Government Printing Office. We do not control the rate that they charge their commercial entities. However, the rates we charge are based on a formula developed by GAO and which we compute annually based on this accepted method of determining the reimbursement cost.

Capitol Buildings

Question: A major item in your FY89 request for the Capitol Buildings appropriation is $750,000 for the design of an automated payroll system. Have you fully explored utilizing an outside source for this system? For example, the Library of Congress handles the payroll for the Congressional Budget Office, why not for you?

Response: We have consulted with the U.S. Department of Agriculture, National Finance Center, and the U.S. Treasury Federal Payroll System. The individuals contacted felt that it would be more costly to use their services as opposed to obtaining an outside contractor and having our own data base payroll system developed.

As to the Library of Congress providing our payroll services, we feel that it would be inappropriate in this instance since the magnitude of our payroll systems design goes much further than payrolls. It is intended to integrate the payroll system, the accounting and personnel systems. Additionally, a brief explanation of the magnitude of our payrolls may provide a better understanding as to why we feel our system is possibly unique and should remain a responsibility of our office. Our payroll branch has a responsibility for processing payrolls for weekly, biweekly, and semi-monthly employees whose pay is based on statutory rates, GS schedule, wage board procedures, and administrative rates. All of these require the production of 310 payrolls per annum. Also of some consequence is the fact that we have three payroll disbursing agents, they are: the Library of Congress for the U.S. Botanic Garden, Marshal of the Supreme Court for Architect of the Capitol Supreme Court employees, and the U.S. Treasury for all other employees of the Office of the Architect of the Capitol.

Old Senate Chamber

Question: The Secretary of the Senate has testified that water damage to the east wall of the Old Senate Chamber was incurred early last year for the third time since 1979. Cosmetic repairs have been made, but what work have you accomplished or plan to perform to prevent this damage in the future?

Response: We have once again reviewed the problem that has permitted occasional water penetration through the east wall of the Old Senate Chamber.

In abnormally heavy snow falls seepage may result from fast falling snow, driven by strong winds into huge drifts several feet deep, filling the valleys against the wall. As melting occurs water migrates behind the high flashing, through the masonry wall and down on the inner plaster surfaces. Usually drifts are prevented by intense hand shoveling during the snowfall. There have been, however, rare occasions when, for one reason or another, the buildup has not been sufficiently contained.

The ultimate solution might be to replace the entire copper assembly--flashing, counter flashing, valleys and slopes--with a new copper facing of a design that provides a more positive joint between the flashing and counterflashing, an undertaking of considerable expense. Less drastic methods, including electric snow melting devices and membrane applications, are being tried on the Russell Building and will be evaluated for their applicability in this location.

I have directed my architectural and engineering staffs to develop a suitable permanent solution.

I have suggested that the draperies might be rehung a few inches from the wall, thereby minimizing the possibility of future accidents while a permanent solution is being developed.

CONCLUSION OF HEARINGS

Senator BUMPERS. That concludes the hearings. The subcommittee will recess and reconvene at the call of the Chair.

[Whereupon, at 4:15 p.m. Thursday, March 17, the hearings were concluded and the subcommittee was recessed to reconvene at the call of the Chair.]

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